

we are going to be faced with. I look to next year, perhaps we could still do it this year. I would like to reach out to the gentleman from California (Mr. MATSUI) and to the gentleman from Texas (Mr. STENHOLM) and to the gentleman from Arizona (Mr. KOLBE) and all those who want to reform Social Security.

We are going to have more hearings. We are not going to waste the rest of the year. However, I will say this, and I think this is tremendously important. Part of Social Security reform has been to lock away the Social Security surplus so it cannot be spent. The House has done that. Also, an important part is a bill that we have today, and that is to get rid of this shameful earnings penalty that should have been done away with many, many years ago and was not.

This is a great day, and it is a day for us to celebrate that we are coming together, we have a piece of Social Security reform. This is a very important piece for our seniors. I compliment the gentleman from Texas, and I look forward to continuing to work with him for the rest of the year.

We are going to have hearings; we are going to have hearings on this and many issues pertaining to Social Security between now and the end of this term, and we all will come back next term and really put it away. We are not wasting time, we are going ahead with the hearing process.

However, we need a coming together, we need a joinder, we need to get the presidential election behind us. I would hope whoever the President is, the next President is, that that President, that he will be anxious, willing and reach out to the House and the Senate to reform Social Security for all time.

Mr. MATSUI. Mr. Speaker, will the gentleman yield?

Mr. STENHOLM. Further reserving the right to object, I yield to the gentleman from California.

Mr. MATSUI. Mr. Speaker, I will take just a moment, but I would like to commend the gentleman from Texas and the gentleman from Arizona. I looked at their proposal. It has been out there now for a year and a half. I have to say it is a very credible proposal. It is probably one of the most realistic proposals that we have before us.

The fact that you have raised this before this matter is brought to the floor is timely, and I am very pleased that you have done so. I would want to say, however, that both the gentleman from Texas (Mr. ARCHER) and the gentleman from Florida (Mr. SHAW) have a proposal, the President has a proposal, and perhaps there will be a time in the next few months where we can bring a number of them, all three, four or five of them, whatever number there are, together to begin to discuss them. Obviously the solving of the Social Security

deficit problem is the number one problem we are all facing. But I appreciate the fact that the two gentlemen have raised this issue.

Mr. STENHOLM. Mr. Speaker, further reserving the right to object, and I will conclude by this observation. I would very much associate myself with the remarks of the gentleman from Florida. He has been a true worker in this endeavor. He points out some of the pitfalls and the difficulties that we would have this year. But by the same token, and I will have more to say about this in the 2 hours of general debate, I would hope that everybody would recognize that there are those on this side of the aisle that are prepared to reach out in the hands of friendship and bipartisan work to deal with the tough questions and that how we handle this debate politically on both sides of the aisle can again do the kind of damage to the process of which I know the gentleman from Florida (Mr. SHAW), the gentleman from Texas (Mr. ARCHER), and the gentleman from California (Mr. MATSUI) do not wish to see happen. So I would hope that we could cushion and caution and soften our words as we debate today about this issue since there is unanimous agreement that this issue needs to happen.

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It is the context in which we bring this reservation up.

Mr. Speaker, with those comments, I encourage Members to unanimously support this very good piece of legislation today.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore (Mr. LAHOOD). Is there objection to the request of the gentleman from Florida?

There was no objection.

SENIOR CITIZENS' FREEDOM TO WORK ACT OF 1999

Mr. ARCHER. Mr. Speaker, pursuant to the unanimous consent request of earlier today, I call up the bill (H.R. 5) to amend title II of the Social Security Act to eliminate the earnings test for individuals who have attained retirement age, and ask for its immediate consideration.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Pursuant to the order of the House of today, the bill is considered read for amendment.

The text of H.R. 5 is as follows:

H.R. 5

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Senior Citizens' Freedom to Work Act of 1999".

SEC. 2. ELIMINATION OF EARNINGS TEST FOR INDIVIDUALS WHO HAVE ATTAINED RETIREMENT AGE.

Section 203 of the Social Security Act (42 U.S.C. 403) is amended—

(1) in subsection (c)(1), by striking "the age of seventy" and inserting "retirement age (as defined in section 216(1))";

(2) in paragraphs (1)(A) and (2) of subsection (d), by striking "the age of seventy" each place it appears and inserting "retirement age (as defined in section 216(1))";

(3) in subsection (f)(1)(B), by striking "was age seventy or over" and inserting "was at or above retirement age (as defined in section 216(1))";

(4) in subsection (f)(3)—

(A) by striking "33½ percent" and all that follows through "any other individual," and inserting "50 percent of such individual's earnings for such year in excess of the product of the exempt amount as determined under paragraph (8)," and

(B) by striking "age 70" and inserting "retirement age (as defined in section 216(1))";

(5) in subsection (h)(1)(A), by striking "age 70" each place it appears and inserting "retirement age (as defined in section 216(1))"; and

(6) in subsection (j)—

(A) in the heading, by striking "Age Seventy" and inserting "Retirement Age"; and

(B) by striking "seventy years of age" and inserting "having attained retirement age (as defined in section 216(1))".

SEC. 3. CONFORMING AMENDMENTS ELIMINATING THE SPECIAL EXEMPT AMOUNT FOR INDIVIDUALS WHO HAVE ATTAINED RETIREMENT AGE.

(a) UNIFORM EXEMPT AMOUNT.—Section 203(f)(8)(A) of the Social Security Act (42 U.S.C. 403(f)(8)(A)) is amended by striking "the new exempt amounts (separately stated for individuals described in subparagraph (D) and for other individuals) which are to be applicable" and inserting "a new exempt amount which shall be applicable".

(b) CONFORMING AMENDMENTS.—Section 203(f)(8)(B) of the Social Security Act (42 U.S.C. 403(f)(8)(B)) is amended—

(1) in the matter preceding clause (i), by striking "Except" and all that follows through "whichever" and inserting "The exempt amount which is applicable for each month of a particular taxable year shall be whichever";

(2) in clauses (i) and (ii), by striking "corresponding" each place it appears; and

(3) in the last sentence, by striking "an exempt amount" and inserting "the exempt amount".

(c) REPEAL OF BASIS FOR COMPUTATION OF SPECIAL EXEMPT AMOUNT.—Section 203(f)(8)(D) of the Social Security Act (42 U.S.C. 403(f)(8)(D)) is repealed.

SEC. 4. ADDITIONAL CONFORMING AMENDMENTS.

(a) ELIMINATION OF REDUNDANT REFERENCES TO RETIREMENT AGE.—Section 203 of the Social Security Act (42 U.S.C. 403) is amended—

(1) in subsection (c), in the last sentence, by striking "nor shall any deduction" and all that follows and inserting "nor shall any deduction be made under this subsection from any widow's or widower's insurance benefit if the widow, surviving divorced wife, widower, or surviving divorced husband involved became entitled to such benefit prior to attaining age 60."; and

(2) in subsection (f)(1), by striking clause (D) and inserting the following: "(D) for which such individual is entitled to widow's or widower's insurance benefits if such individual became so entitled prior to attaining age 60.".

(b) CONFORMING AMENDMENT TO PROVISIONS FOR DETERMINING AMOUNT OF INCREASE ON ACCOUNT OF DELAYED RETIREMENT.—Section

202(w)(2)(B)(ii) of the Social Security Act (42 U.S.C. 402(w)(2)(B)(ii)) is amended—

- (1) by striking “either”; and
- (2) by striking “or suffered deductions under section 203(b) or 203(c) in amounts equal to the amount of such benefit”.

(c) PROVISIONS RELATING TO EARNINGS TAKEN INTO ACCOUNT IN DETERMINING SUBSTANTIAL GAINFUL ACTIVITY OF BLIND INDIVIDUALS.—The second sentence of section 223(d)(4) of such Act (42 U.S.C. 423(d)(4)) is amended by striking “if section 102 of the Senior Citizens’ Right to Work Act of 1996 had not been enacted” and inserting the following: “if the amendments to section 203 made by section 102 of the Senior Citizens’ Right to Work Act of 1996 and by the Senior Citizens’ Freedom to Work Act of 1999 had not been enacted”.

SEC. 5. EFFECTIVE DATE.

The amendments and repeals made by this Act shall apply with respect to taxable years ending after December 31, 1998.

SPEAKER pro tempore. The amendment printed in the bill is adopted.

The text of H.R. 5, as amended, is as follows:

H.R. 5

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the “Senior Citizens’ Freedom to Work Act of 2000”.

SEC. 2. ELIMINATION OF EARNINGS TEST FOR INDIVIDUALS WHO HAVE ATTAINED RETIREMENT AGE.

Section 203 of the Social Security Act (42 U.S.C. 403) is amended—

- (1) in subsection (c)(1), by striking “the age of seventy” and inserting “retirement age (as defined in section 216(l))”;

- (2) in paragraphs (1)(A) and (2) of subsection (d), by striking “the age of seventy” each place it appears and inserting “retirement age (as defined in section 216(l))”;

- (3) in subsection (f)(1)(B), by striking “was age seventy or over” and inserting “was at or above retirement age (as defined in section 216(l))”;

- (4) in subsection (f)(3)—

(A) by striking “33½ percent” and all that follows through “any other individual,” and inserting “50 percent of such individual’s earnings for such year in excess of the product of the exempt amount as determined under paragraph (8),”; and

(B) by striking “age 70” and inserting “retirement age (as defined in section 216(l))”;

- (5) in subsection (h)(1)(A), by striking “age 70” each place it appears and inserting “retirement age (as defined in section 216(l))”; and

- (6) in subsection (j)—

(A) in the heading, by striking “Age Seventy” and inserting “Retirement Age”; and

(B) by striking “seventy years of age” and inserting “having attained retirement age (as defined in section 216(l))”.

SEC. 3. CONFORMING AMENDMENTS ELIMINATING THE EXEMPT AMOUNT FOR INDIVIDUALS WHO HAVE ATTAINED RETIREMENT AGE.

(a) UNIFORM EXEMPT AMOUNT.—Section 203(f)(8)(A) of the Social Security Act (42 U.S.C. 403(f)(8)(A)) is amended by striking “the new exempt amounts (separately stated for individuals described in subparagraph (D) and for other individuals) which are to be applicable” and inserting “a new exempt amount which shall be applicable”.

(b) CONFORMING AMENDMENTS.—Section 203(f)(8)(B) of the Social Security Act (42 U.S.C. 403(f)(8)(B)) is amended—

(1) in the matter preceding clause (i), by striking “Except” and all that follows through “whichever” and inserting “The exempt amount which is applicable for each month of a particular taxable year shall be whichever”;

(2) in clause (i), by striking “corresponding”;

(3) in clause (ii), in the matter preceding subclause (I), by striking “corresponding” and all that follows through “individuals”) and inserting “exempt amount which is in effect with respect to months in the taxable year ending after 1993 and before 1995 with respect to individuals who have not attained retirement age (as defined in section 216(l))”;

(4) in subclause (II) of clause (ii), by striking “2000” and all that follows and inserting “1992,”; and

(5) in the last sentence, by striking “an exempt amount” and inserting “the exempt amount”.

(c) REPEAL OF BASIS FOR COMPUTATION OF EXEMPT AMOUNT AFFECTING INDIVIDUALS WHO HAVE ATTAINED RETIREMENT AGE.—Section 203(f)(8)(D) of the Social Security Act (42 U.S.C. 403(f)(8)(D)) is repealed.

SEC. 4. ADDITIONAL CONFORMING AMENDMENTS.

(a) ELIMINATION OF REDUNDANT REFERENCES TO RETIREMENT AGE.—Section 203 of the Social Security Act (42 U.S.C. 403) is amended—

- (1) in subsection (c), in the last sentence, by striking “nor shall any deduction” and all that follows and inserting “nor shall any deduction be made under this subsection from any widow’s or widower’s insurance benefit if the widow, surviving divorced wife, widower, or surviving divorced husband involved became entitled to such benefit prior to attaining age 60.”; and

(2) in subsection (f)(1), by striking clause (D) and inserting the following: “(D) for which such individual is entitled to widow’s or widower’s insurance benefits if such individual became so entitled prior to attaining age 60.”.

(b) CONFORMING AMENDMENT TO PROVISIONS FOR DETERMINING AMOUNT OF INCREASE ON ACCOUNT OF DELAYED RETIREMENT.—Section 202(w)(2)(B)(ii) of the Social Security Act (42 U.S.C. 402(w)(2)(B)(ii)) is amended—

- (1) by striking “either”; and

(2) by striking “or suffered deductions under section 203(b) or 203(c) in amounts equal to the amount of such benefit”.

(c) PROVISIONS RELATING TO EARNINGS TAKEN INTO ACCOUNT IN DETERMINING SUBSTANTIAL GAINFUL ACTIVITY OF BLIND INDIVIDUALS.—The second sentence of section 223(d)(4) of such Act (42 U.S.C. 423(d)(4)) is amended by striking “if section 102 of the Senior Citizens’ Right to Work Act of 1996 had not been enacted” and inserting the following: “if the amendments to section 203 made by section 102 of the Senior Citizens’ Right to Work Act of 1996 and by the Senior Citizens’ Freedom to Work Act of 2000 had not been enacted”.

SEC. 5. EFFECTIVE DATE.

(a) IN GENERAL.—The amendments and repeals made by this Act shall apply with respect to taxable years ending after December 31, 1999.

(b) SPECIAL RULE APPLICABLE TO INDIVIDUALS WHO ATTAIN NORMAL RETIREMENT AGE DURING THE FIRST TAXABLE YEAR ENDING AFTER DECEMBER 31, 1999.—Sections 202 and 203 of the Social Security Act, as in effect immediately prior to the amendments and repeals made by this Act, shall apply to any individual who attains retirement age (as defined in section 216(l) of such Act) during the first taxable year ending after December 31, 1999 (and to any person receiving benefits under title II of the Social Security Act on the basis of the wages and self-employment income of such individual), but only with respect to earnings for so much of such taxable year as precedes the month in which such individual attains retirement age (as so defined).

The SPEAKER pro tempore. The gentleman from Texas (Mr. ARCHER) and the gentleman from California (Mr. MATSUI) each will control 1 hour.

The Chair recognizes the gentleman from Texas (Mr. ARCHER).

GENERAL LEAVE

Mr. ARCHER. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and include extraneous material on H.R. 5.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. ARCHER. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, today is an exciting day for me personally, and it is a great day for the hundreds of thousands of working seniors across this country. It is the culmination of my personal 29-year effort to repeal the earnings penalty.

I launched this effort as one of the first bills that I introduced after being sworn in in 1971. The reason then to repeal the earnings penalty is the same as it is today: the earnings penalty is simply wrong. I also thank the gentleman from Texas (Mr. SAM JOHNSON); the gentleman from Florida (Mr. SHAW), the Chairman of the Subcommittee on Social Security; and the Speaker for their tireless efforts on this bill.

The Social Security earnings penalty, like the marriage tax penalty, like the death tax, like the capital gains tax, like the tax on savings, like the alternative minimum tax and so many other taxes, is simply unfair and wrong. It is unfair; it is backwards. The earnings penalty actually cuts Social Security benefits for many working seniors over the age of 65, and it discourages them from working. It increases their effective tax rate to the highest percentage of a lifetime for many of them, and that is wrong.

Now, why in the world would we want to discourage any American, whether they are 17 or 67, from working?

Today this Congress will once again do the right thing and repeal the earnings penalty for those hard-working and deserving Americans. I am proud to be a part of a Congress that fixes what is wrong and does what is right.

It was right to balance the budget and to pay down the debt, and we did that. It was right to strengthen Medicare, and we did that. It was right to cut taxes for families and to promote higher education and expand health care, and we did that. It was right to fix the broken welfare system so that Americans can discover the freedom of work, independence and the power of responsibility, and we did that. It was right to reform the IRS, and we did that. It was right to expand educational opportunities for school children and give more flexibility to parents, teachers and local school boards,

and we did that. It was right to stop the raid on the Social Security trust fund and protect every dime of Social Security from being spent on other programs, and we did that.

Now it is right to repeal the earnings penalty for working seniors. They deserve to be treated fairly. After all these years, it is heartening that this effort is finally bipartisan and the President will sign this bill. Clearly it is the right thing to do.

The Social Security earnings penalty punishes seniors who choose to keep working. More seniors are choosing to work past their retirement for many reasons: for their own financial needs, because Social Security benefits for most are not adequate by themselves to support retirement; to help their families or their grandchildren through school; and for their own personal fulfillment. The point is, Americans are living longer now and older Americans can work, they want to work, and they should not be punished by an outdated law if they choose to work.

In addition, repealing the earnings penalty now will unleash the productivity of one of the most experienced and talented workforces in this country at a time when our growing economy needs it. This is clearly a win-win for everyone, which is why the bill now enjoys widespread bipartisan support.

In summary, repealing the earnings penalty is based on the fundamental principles of fairness and freedom. Seniors should be free to work without penalty and treated fairly by a program they paid into all of their lives. Working seniors across this country have waited long enough; and they deserve the action now, and they will get it now.

Mr. Speaker, I reserve the balance of my time.

Mr. MATSUI. Mr. Speaker, I yield myself 2 minutes.

Mr. Speaker, first of all I would like to congratulate the gentleman from Texas (Mr. ARCHER) and the gentleman from New York (Mr. RANGEL), certainly the gentleman from Florida (Mr. SHAW) and members of the committee, and also the two prime sponsors of this bill, the gentleman from Texas (Mr. SAM JOHNSON) and the gentleman from Minnesota (Mr. PETERSON). They have obviously done a great job in getting co-sponsors of this bill and explaining it to Members of this institution.

Mr. Speaker, I would just like to reiterate some of the words of the chairman of the committee. The earnings test is obviously something that has been misunderstood over the years. It is basically a penalty on those senior citizens that have earned their Social Security benefit but want to stay in the workforce beyond the age of 65.

The fact that we have had this earnings test actually has deterred over 800,000 Americans a year from the workforce. In fact, we have had some

studies done by a University of California San Diego professor that has said that this will actually, by eliminating the earnings test, increase the labor pool in America by 5 percent.

In addition, the Social Security Administration has estimated that the administration of the earnings test plus the delayed earnings credit essentially costs \$100 to \$150 million a year; and because of the earnings credit, we have seen errors in the range of \$500,000 to \$600,000 per year just in administering this program. As a result of that, it is obvious we should repeal it at this particular time.

Mr. Speaker, it is my hope also as we talk about repealing this earnings test, which will be done, we not be unmindful of what the gentleman from Texas (Mr. STENHOLM) and the gentleman from Arizona (Mr. KOLBE) said in terms of some of the long-term issues of Social Security that I am sure all of us in this institution want to deal with.

The gentleman from Florida (Mr. SHAW) yesterday when we marked up this bill indicated he will be holding in the month of March, this month, some additional hearings dealing with poverty among women, the blind and the disabled, and I want to thank the gentleman for holding those hearings as well, because I think that will further the procession of making sure that we create incentives for work under the Social Security system for those that need to work and receive benefits at the same time.

Mr. Speaker, I urge an "aye" vote on this particular bill.

Mr. Speaker, I reserve the balance of my time.

Mr. ARCHER. Mr. Speaker, I yield 3½ minutes to the gentleman from Florida (Mr. SHAW), the highly respected chairman of the Subcommittee on Social Security.

Mr. SHAW. Mr. Speaker, I thank the chairman for yielding me time.

Mr. Speaker, I obviously strongly support H.R. 5, legislation that would repeal the earnings penalty for hard-working seniors age 65 and over. Many seniors are shocked to learn that if they work past the age of 65 they may lose some or even all of their Social Security benefits. This is due to something called the Social Security "earnings limit" or "earnings penalty." This rule has been in place since Social Security started in the 1930's, but that does not make it right.

Because of this rule, many older people left the workforce, making their jobs available for younger workers. That policy may have made sense during the Great Depression when those jobs were needed. However, that clearly does not apply today.

Today's economy needs the experience and ability of seniors; yet the earnings penalty has lived on. Seniors affected by this penalty lose an average of \$8,000 in benefits per year. Nation-

wide, about 800,000 lost benefits just last year, and thousands more avoided losing benefits by cutting back on how much they worked in order to avoid this unfair penalty.

Some might recall that in 1996 we eased the earnings limit for seniors who reached the full retirement age. As a result, seniors aged 65 through 69 have been able to earn a bit more each year since then without experiencing the cut in their benefits. While that was a positive step, many of us have long felt that it was wrong to punish hard-working seniors, period, many of whom just want to work, and many of whom have to work.

Mr. Speaker, what message does the earnings penalty send? That the contributions of seniors are no longer needed? That seniors should head for the sidelines of the economy due to age alone? That seniors do not deserve the benefits that they paid for simply because they continue working? I do not think anybody in this chamber or in this Congress feels that way. That is why so many of us have expressed support for H.R. 5, this bipartisan bill before us today, that will eliminate this penalty for good.

A broad spectrum of business and senior groups, including the AARP, support this bill. They know it is good for seniors, it is good for business, and it is good for this country and its economy.

I congratulate the gentleman from Texas (Mr. SAM JOHNSON) and the gentleman from Minnesota (Mr. PETERSON), the original sponsors of the bill. I want to congratulate the gentleman from Texas (Chairman ARCHER) for his years of tireless work in relaxing and now repealing this earnings penalty. The gentleman has been a personal testament to what hard-working seniors can do. The gentleman especially should be gratified that all of his years of hard work to repeal this unfair limit are paying off.

Mr. Speaker, eliminating the earnings penalty is the right thing for seniors who have spent a lifetime working for their Social Security benefits. They should get all the benefits they earn and that they have paid for. Today we are taking one major step closer to seeing that occur. I encourage the Senate to approve this legislation quickly so it can be signed into law as promised by the President.

Mr. MATSUI. Mr. Speaker, I yield 2 minutes to the gentleman from California (Mr. STARK).

Mr. STARK. Mr. Speaker, I thank the gentleman for yielding me time and join in the accolades to those who have brought this bill to the floor today, which addresses a problem probably for 5 percent of the wealthiest beneficiaries under Social Security. It is a vestigial prohibition on getting retirement income. No other retirement plan denies that.

I was intrigued this morning as we had all of this bipartisan self-congratulation. The fact is that while we do this, there are partisan rumblings in attacking members of the Democratic Party for sometime in the past perhaps having voted against this procedure in another bill. So I would just as soon unmask for a while, in the most partisan way I can, the Republican charade, because while we are doing this, we are still denying under the Republican leadership the chance for the Patients' Bill of Rights bill to go forward. It is a bill that was passed in a bipartisan way; yet it is being stalled by the Republicans.

Last year in October in the Committee on Ways and Means, in a bipartisan attempt to pass the Balanced Budget Act, we offered an amendment that would have given a discount on pharmaceutical drugs to every senior, a substantial discount, at no cost to the Federal Government, and every Republican voted to deny the seniors this opportunity to get a discount on their pharmaceutical drugs. So as we talk later today, I hope that the gentleman from Florida (Mr. SHAW) will explain to me why that is a good bipartisan thing for the seniors in Florida to be denied a discount, and I hope the gentleman from Arizona (Mr. HAYWORTH) will come down and explain to us why he voted to deny seniors in Arizona a discount on their pharmaceutical drugs.

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Mr. ARCHER. Mr. Speaker, I yield 3 minutes to the gentleman from Texas (Mr. SAM JOHNSON), a respected member of the Committee on Ways and Means.

Mr. SAM JOHNSON of Texas. Mr. Speaker, I appreciate the gentleman yielding time to me. I appreciate what he has been doing on this bill. I know he has been working on it for many, many years. We truly appreciate it coming up today.

Mr. Speaker, 1 year ago I introduced H.R. 5, the Freedom to Work Act. Yesterday, every member of the Committee on Ways and Means voted to send the bill to the floor to repeal the social security earnings penalty.

Under current law, our seniors age 65 to 69 can earn only \$17,000 before they lose \$1 in social security benefits for every \$3 they earn. This limit is unfair, outdated, and bad for the economy. This obsolete social security earnings penalty must be eliminated.

As we all know, our seniors have earned social security benefits through a lifetime of contributions. They have worked for them, and they are entitled to their full benefits. It is their money, it is not Washington's money. It should not be taken away from them just because they choose to work after they reach normal retirement age.

The earnings penalty adversely affects 800,000 seniors who reach the nor-

mal retirement age. It discriminates against our senior citizens who must work in order to supplement their benefits. That is just not right. The earnings penalty is a Depression-era law whose time has long since come and gone. Today, with unemployment at record lows, seniors are needed in the work force, so the last thing we ought to do is discourage them from working.

Senior citizens who work not only lose a large percentage of their social security benefits today due to the earnings penalty, but they pay social security taxes, Medicare taxes, Federal taxes, and probably State income taxes, as well. Combined with the earnings penalty and these other taxes, our seniors may face a marginal tax rate as high as 80 percent.

The earnings penalty is complicated and difficult to understand. In addition, the earnings penalty is complex and costly to the Federal government to administer. For example, the earnings penalty is responsible for more than half of the social security overpayments.

The Social Security Administration estimates that administering the earnings penalty takes 1,200 people and costs \$150 million a year. Repeal of the earnings penalty would allow our senior citizens to work more, the American economy would benefit from their experience and skills, and it does not cost anything.

According to the Social Security Administration actuaries, a repeal of the earnings penalty will not affect the social security trust fund. Two weeks ago, the President finally agreed to sign the bill. I am pleased that he has decided to help us fix this unfair penalty.

Mr. Speaker, I fought for freedom in two wars, Korea and Vietnam. I believe that freedom entitles our seniors the ability to work without penalty. America's seniors want, need, and deserve a repeal of this penalty.

Mr. MINETA. Mr. Speaker, I yield 2 minutes to the gentleman from Maryland (Mr. CARDIN).

Mr. CARDIN. Mr. Speaker, I thank the gentleman for yielding time to me.

Mr. Speaker, as has been pointed out, last year almost 800,000 seniors had their social security benefits reduced because of this earnings test. Next year, over 600,000 seniors will be forced to defer their benefits because they had earnings over \$17,000.

Today we are passing a commonsense change that allows seniors to be able to earn, be able to continue to work, and be able to collect their social security checks. As the gentleman from Texas (Mr. SAM JOHNSON) pointed out, it will have no effect on the long-term solvency of social security.

For the first time, we allow seniors to continue to earn a paycheck without taking it out of their social security check. Seniors who want to continue

working should be able to stay in the labor force without losing their hard-earned social security benefits. At a time with a tight labor market and historically low personal savings, it does not make sense to discourage our most experienced workers from staying productive. Yet, the earnings penalty amounts to a 33 percent marginal tax rate on work.

This change will particularly help women workers, who have historically had lower earnings and an uneven work history. Work for women becomes even more important, and they should not be penalized by the social security system.

Mr. Speaker, let me point out, as my friend, the gentleman from Texas, pointed out during an earlier discussion, yes, many of us would like to see comprehensive reform of our social security system. We should be doing that. But we should not stop making changes that are commonsense, that we can get done, such as removing the earnings test.

I urge my colleagues on the other side of the aisle that the same logic should apply to Medicare. If we are unable to bring forward comprehensive Medicare reform, let us at least agree on prescription drugs. We know in a bipartisan way that we need to do that.

The example that we have used on this earnings test, a bipartisan agreement between the Democrats and the Republicans to move this bill, let us do the same on other issues that are important to all of our constituents.

Mr. ARCHER. Mr. Speaker, I yield 2 minutes to the gentleman from Arizona (Mr. HAYWORTH), another respected member of the Committee on Ways and Means.

Mr. HAYWORTH. Mr. Speaker, I thank the gentleman from Texas for yielding time to me, the distinguished chairman of the Committee on Ways and Means, who has labored so hard for this commonsense reform so greatly needed for so long.

History reminds us that Arizona's favorite son, Barry Goldwater, in the other Chamber, brought this idea forward long ago. I am so glad, in the spirit of bipartisanship now, that others in previous Congresses so reluctant to address this commonsense reform would join with us today for this landmark legislation.

Almost 20,000 seniors in Arizona, 1.1 million seniors nationwide, are being penalized because they choose to work, are being penalized because they bring to the workplace maturity and experience and energy.

Mr. Speaker, we need those experienced workers in our work force. One thing I have learned in representing the Sixth Congressional District of Arizona, with so many seniors, is that these folks have so much to contribute, so much to give, yes, as volunteers in retirement age, but also active in the

work force. That is what they bring and that is what we celebrate today.

So again, we welcome the converts to this, and we are at long last addressing this issue. This is a great day for America's seniors, for all Americans, because today we throw off the yoke of unfairness: an important first step which we must follow in many other ways, but it begins here, it begins now, and we welcome the cooperation.

Mr. MINETA. Mr. Speaker, I yield 2 minutes to the gentleman from Texas (Mr. DOGGETT).

Mr. DOGGETT. Mr. Speaker, in 1996, I voted to increase the Social Security earnings limit to \$30,000, effectively the year after next. In 1998, I voted to increase it even further, up to \$39,000. So I am, of course, supportive when the Republican leadership finally gives us an opportunity to take the cap off entirely. This bill may help as many as 5 percent of our most successful seniors.

But amid all the self-congratulatory back-slapping that we see here today, let us be sure to understand what this bill is and what it is not. It represents well-justified relief for the top 5 percent. It represents top-down reform, but it does nothing for the 95 percent of the remaining Americans who rely on social security. It does nothing for those seniors whose health does not permit them to work, and who would benefit more from getting access to prescription drugs and an end to the discrimination they face with huge prices they are charged by the pharmaceutical companies.

This legislation is very significant to older Americans who have the capacity to keep earning more than \$30,000 a year, but in terms of overall reform of the Social Security system, to preserve it for future generations, it is a very modest change.

Of all the changes that we can make in this Congress, interestingly enough, this is one of the few that is politically painless. It represents essentially an eat-dessert-first approach to reform. Congress should be grappling with the tough choices that we face on how to extend the solvency of Social Security for all Americans and for future generations of Americans, not just the politically easy step that primarily puts more benefits in the pockets of the most successful seniors, coincidentally, during an election year.

I would say this morning, better a reform for 5 percent than no reform at all. But for most Americans who are counting on Social Security, this change makes no real difference in their lives. It is long past time that this Congress got about doing something for them.

Mr. ARCHER. Mr. Speaker, I yield 2 minutes to the gentleman from Florida (Mr. FOLEY), another respected member of the Committee on Ways and Means.

Mr. FOLEY. Mr. Speaker, I thank the gentleman for yielding time to me. I

thank the chairman for his hard work on this bill. Since 1986 the gentleman from Texas (Mr. ARCHER), the chairman of our committee, has been working on this product, joined with the gentleman from Illinois (Mr. HASTERT), now, and with the leadership of the gentleman from Florida (Mr. SHAW) and the gentleman from Texas (Mr. SAM JOHNSON), we see victory today for senior citizens.

But even in light of victory, we have to have a little bit of a political zinger put on the floor by the gentleman from Texas (Mr. DOGGETT). He has to drill a little needle there into this debate, rather than celebrate the rewards of senior citizens across America.

At 65, under this policy that was maintained by 40 years of Democratic leadership, we were telling seniors, get out of the way, you are too old and you are too tired. Modern-day America recognizes, and particularly our party recognizes, that seniors 65 are in the prime of their lives.

My father at 77 years of age retired as a principal of a high school in Lake Worth, Florida. He contributed to the children of Palm Beach County schools, and he did it because, first and foremost, he loved children, and secondly, he had a lot to give to our community.

But no, for many, many years they blocked the attempt to reform this crazy notion of retirement at 65, or penalizing, should one work.

Mr. Speaker, let us face reality. Just like social security predicts that more retirees than active workers will exist in 10 or 20 years, so will be the notion of less workers available for active duty. This bill provides relief for the baby boomers who will retire to stay engaged and stay working.

So today, rather than taking political shots across the aisle, let us join hands in this bipartisan spirit. But I must insist on commending the gentleman from Texas (Mr. ARCHER), because he has been working on this when he was in the minority, and finally now has had comity from the other side of the aisle to bring this measure to the floor; the gentleman from Illinois (Mr. HASTERT) in the same period, and again, the gentleman from Florida (Mr. SHAW) from my district.

The gentleman from Florida (Mr. SHAW) and I have probably the 6th and 7th oldest Medicare recipient districts in the Nation. So today I join my good friend, the gentleman from south Florida, in saluting our retirees who worked so hard to pay to run the government of the United States of America.

Mr. MINETA. Mr. Speaker, I yield 2 minutes to the distinguished gentleman from Minnesota (Mr. PETERSON), the original sponsor of this legislation.

Mr. PETERSON of Minnesota. Mr. Speaker, I thank the gentleman for yielding time to me.

Mr. Speaker, I am proud to be here today, along with my good friend, the gentleman from Texas (Mr. SAM JOHNSON), bringing this bill forward.

This is something that I have been for for a long time. I used to do tax returns for a living, and saw firsthand the impact this had on people. This is something that probably made sense back in the thirties, but its time has past. It is time for us to get rid of this penalty, which causes these people to pay some of the highest marginal tax rates in this country.

My district is a very rural district. We are having a lot of trouble out in the farm part of the district. In the cities, St. Cloud is a big city, and Moorhead, which is a middle-sized city, or Aurora, which is a small city, the problems we are having is getting enough workers to fill the jobs that we have out there.

In this pool of workers that are being penalized, we have a lot of people that have talent that want to work, and this is going to free up a lot of folks to do what they want to do. It makes sense.

One other thing I want to focus on. One of the things this will solve is, part of the problem our farmers are having is with their being taxed on the rent that they are charging for their farmland. The IRS, because apparently one word was left out of a statute, are forcing farmers to pay self-employment tax on their rent. These are the only businesspeople in America that are doing this. If you are in the real estate business, if you are a CPA, if you rent a building or land to your kids or to anybody else, you do not pay self-employment tax, but farmers do.

If they pay this self-employment tax, they can also be subject to the self-employment tax penalty that we are getting rid of here today, so this is going to solve part of the problem.

We appreciate the chairman's leadership on this issue, and we hope the gentleman would look at the other part of the problem, because it really is crazy, what we are doing to farmers. They have tremendous pressure on them now. In my district, none of them are making any money.

□ 1115

The last thing they need is to have another tax put on them. So we would appreciate a look at that.

Mr. SHAW. Mr. Speaker, will the gentleman yield?

Mr. PETERSON of Minnesota. I yield to the gentleman from Florida.

Mr. SHAW. The gentleman has brought up a very sensitive point.

The SPEAKER pro tempore (Mr. LAHOOD). The time of the gentleman from Minnesota (Mr. PETERSON) has expired.

Mr. ARCHER. Mr. Speaker, I yield 2 minutes to the gentleman from New

York (Mr. HOUGHTON), another respected member of the Committee on Ways and Means.

Mr. HOUGHTON. Mr. Speaker, I yield briefly to the gentleman from Florida (Mr. SHAW).

Mr. SHAW. Mr. Speaker, the gentleman from Minnesota (Mr. PETERSON) brought up a point that we are waiting for the Commissioner of Social Security to reply to, because he has raised a very good point and something that our committee intends to address. I thank the gentleman from New York (Mr. HOUGHTON) for yielding to me.

Mr. HOUGHTON. Mr. Speaker, reclaiming my time, I thank the gentleman from Texas (Mr. ARCHER) for yielding me this time. It is sort of too bad that certain people on the other side take a partisan view of this thing. It is not partisan; it is bipartisan. It makes sense. The timing is right. There is overwhelming support for this.

When I started to work in the early 1950s, 47 percent of the people over 65 were working. Today, only 17 percent. That is not very good.

I always think as the speed of light and communication and data processing is sort of inevitable, so is the fact that people are living longer.

I have a mother who is 99 years old, born in 1900. When she was born, the actual actuarial age of women was about 47. That was the life span. Today, it is in the 70s. Tremendous difference.

We need able people. Warren Buffett of Berkshire Hathaway has a lady over 90 years old working in his company. When companies get somebody good, they want to hold on to them. And people who work longer, they live longer, they feel healthy and want to make a contribution. So anything standing in the way, which is this double taxation of their Social Security benefits, is wrong and is not fair and it will be scrapped, and should be scrapped, if H.R. 5 goes through.

Mr. Speaker, I would just like to say one other thing. There was a lady called Marijo Gorney, and she has worked around here for 35 years. She is now retired. Mr. Speaker, this was her baby. This was her concept. She pushed it. She is now retired; and I hope she is watching this, because a lot of the success of this program is due to her.

Mr. MATSUI. Mr. Speaker, I yield 1½ minutes to the gentleman from Massachusetts (Mr. NEAL) a member of the committee.

Mr. NEAL of Massachusetts. Mr. Speaker, I would like to offer my voice in support of repeal of the earnings test, and I am certainly pleased that the Committee on Ways and Means acted so quickly, once President Clinton urged us to do so on February 14. I only wish that at the committee level we could be as accommodating on some other issues.

The retirement test is clearly a provision which has outlived its usefulness.

With senior citizens living longer and longer, we should encourage those who want to continue to work, rather than discourage that effort. I do wish that we had the ability in committee to make some additional changes, however, such as offering the government pension offset that was sponsored by the gentleman from Louisiana (Mr. JEFFERSON).

Mr. Speaker, this unfair provision affects the spousal benefits of State and local workers and was enacted in response to a Supreme Court case that dealt with an entirely different problem. It is now time for that provision to be repealed as well, or at least significantly modified.

Mr. Speaker, this is a good bipartisan bill. I hope it reaches the President's desk soon, and I hope it will serve as an example that reaching an agreement when we can is far better for the American people than producing what is oftentimes so much unnecessary conflict in this institution. I am pleased to lend my name in support of this initiative. It is long overdue, but the point is that we are acting on it today. I think that there is an opportunity here for a lot of people to take some satisfaction from this initiative.

Mr. ARCHER. Mr. Speaker, I yield 2 minutes to the gentleman from Florida (Mr. GOSS).

Mr. GOSS. Mr. Speaker, I thank the gentleman from Texas (Mr. ARCHER), my friend and the distinguished chairman, for yielding me this time.

Mr. Speaker, I rise, obviously, in strong support of H.R. 5. As just one of many on this side of the aisle who has worked hard to eliminate the archaic and punitive Social Security earnings test since coming to Congress 12 years ago, I am delighted that today we are finally going to right this wrong.

I represent many seniors in southwest Florida who have eagerly awaited this moment and I know are going to be very happy. Last year, over 800,000 seniors across America were penalized simply because they chose or needed, needed, to remain productive members of our workforce. In an ever-expanding economy where employers increasingly lack capable and experienced employees, the Federal Government contrarily sends a message that our seniors need not apply.

I know it is true, because I hear it firsthand from working seniors in southwest Florida who choose to stay active and supplement their retirement, perhaps as a cashier at the local grocery store or perhaps as a substitute teacher at the middle school.

Proud Americans who survived the Depression and defeated Hitler's Germany are punished for displaying the same self-reliance, perseverance, and individual responsibility that defines them as our greatest generation and, frankly, has made our Nation as great as it is today. It is a national embarrassment that we will end today.

Today, finally, and I say finally, the White House and congressional Democrats will apparently join with us in ending the unfair earnings tax. But it was not always so. Just 2 years ago, only 19 Democrats voted to end the earnings limit. But in the best spirit of our representative democracy, we have made our case and we have persuaded them, or at least most of them, to join us. This has been a long and trying fight. And besides the gentleman from Texas (Chairman ARCHER) and the gentleman from Florida (Mr. SHAW), my Florida colleague, and the gentleman from Texas (SAM JOHNSON), courageous souls like Jay Rhodes no longer here, JIM BUNNING in the other body, who should be here to celebrate with us today I hope are taking joy in this.

Above all, we should cheer our Speaker, the gentleman from Illinois (Mr. HASTERT) who led the fight for incremental reform before it was fashionable and who appropriately will preside over this Congress today as we end this tax on working seniors once and for all. I urge a "yes" vote.

Mr. MATSUI. Mr. Speaker, I yield 1½ minutes to the gentleman from North Carolina (Mr. PRICE).

Mr. PRICE of North Carolina. Mr. Speaker, I rise in support of the Seniors Freedom to Work Act. More than 800,000 senior citizens aged 65 to 69 in our country lose part or all of their Social Security benefits each year because of this so-called earnings test.

Currently, the Social Security earnings penalty takes \$1 in Social Security benefits from Americans 65 through 69 for every \$3 they earn above the \$17,000 per year limit. When Americans turn 65, they ought to be able to count on the Social Security benefits they have earned, and this bill would repeal the earnings test once and for all.

Mr. Speaker, this is a bipartisan bill. But unfortunately, there has been a little partisan byplay here today; not from our side of the aisle, but from our friends on the Republican side. They are accusing us of reversing ourselves on this issue. They are referring to what in 1998 we aptly termed the Raid Social Security for an Election Eve Tax Cut Act. I would like to just read what I said at the time we debated that bill:

"The problem is not with the specific tax cuts, but with using the Social Security Trust Fund surplus to pay for them. These tax cuts are also contained in the Democratic substitute", in fact, it included exactly identical earnings test provisions, "but they are paid for in that substitute and they maintain the trust in the trust fund."

So what we have before us right now, Mr. Speaker, is clean legislation that addresses the earnings test issue, unencumbered by controversial or extraneous provisions. Today, we have an

opportunity for a bipartisan bill, a bipartisan result, and I urge my colleagues to support this legislation.

Mr. ARCHER. Mr. Speaker, I yield 1 minute to the distinguished gentleman from Texas (Mr. ARMEY), Majority Leader of the House of Representatives.

Mr. ARMEY. Mr. Speaker, I thank the gentleman from Texas (Mr. ARCHER) for yielding me this time. I just wanted to take a moment to add my word of appreciation for everybody's good work on this. There can be nothing I can imagine that can be more unfair to our working senior Americans than to be told that under the law of this land that they are required to pay into the Social Security program all their working years, and then at that time in their life when they are entitled to withdraw the benefits that they paid for, that the government of the United States is going to take those benefits away if they have the audacity to continue work.

Many of us have seen the injustice of this, and so many of us have worked on it over the years and had so many years of frustration.

Mr. Speaker, I always like to remind people that this is the very first bill that the gentleman from Texas (Mr. ARCHER) introduced in Congress in 1972. I studied it as an undergraduate. I understood at the time how important it was. I have watched the gentleman from Texas (SAM JOHNSON), the gentleman from Illinois (Mr. WELLER), and the Speaker himself and others, and it is just such a heart-warming thing for me today to see us passing this legislation with such bipartisan support.

The President committed to sign it, and we will finally have a real act of justice and fairness for today's working seniors. I just wanted to share in that moment with all of our body.

Mr. MATSUI. Mr. Speaker, I yield 1½ minutes to the gentleman from South Carolina (Mr. SPRATT) the ranking member on the Committee on the Budget.

Mr. SPRATT. Mr. Speaker, I thank the gentleman from California (Mr. MATSUI) for yielding me this time.

Mr. Speaker, I rise in full support of this bill, the retirement earnings test is an old vestige of the 1930s, created when Social Security was born as a way of telling who was truly retired and, therefore, qualified for benefits. It was looked upon as good policy then because it spurred older workers to stop working and take their Social Security benefits and, therefore, freed up jobs for younger workers in what was then, the 1930s, a period of high unemployment.

Today, we do not have a labor surplus in most parts of the country; we have a labor shortage. For example, I had an owner of a trucking company call me a few months ago and tell me in desperation that this offset policy in Social

Security was causing him to lose drivers. They would not work upon reaching the age of 65, and he could not replace them. He saw no reason for this policy, and I can tell from talking to other workers in my district neither do they.

We can explain all the reasons behind it, going back to 1935, but most people see this as a stiff, unfair, tax on hard-working people. I think it is time for us to repeal these offsets all together for those people who have reached retirement age. The question arises: Why did we not do this in 1998? There has been some accusation here that some of us who voted for that particular tax bill then, which was an \$8.1 billion tax bill in 1998, voted against the elimination of the threshold. That bill would not have eliminated the threshold. It would have raised the threshold to \$39,750 by 2008.

But in 1996, almost all of us came out here and voted for H.R. 3136, the Senior Citizens' Right to Work Act of 1996. This bill raised the limit in annual steps from \$12,500 to \$30,000 by 2002, and indexed the threshold after 2002 to rise with the rate of inflation. Had we simply followed the course of that law, by 2008, the threshold would have been about \$38,000, just a little bit less than the bill in 1998 provided.

So this argument is really not a fair argument. I am glad to see us bring something to the floor that is bipartisan. Let us keep it bipartisan. I do not think I need to encourage anybody to vote for this. The vote is going to be overwhelming. And any time we get this kind of bipartisan consensus on an issue of this substance, it is a sign of an idea whose time has come.

Mr. Speaker, I think it is right that we repeal today, right now, as soon as possible, this old and outdated vestige of the Social Security system and say this is something on which we all agree.

Mr. SAM JOHNSON of Texas. Mr. Speaker, I yield 2 minutes to the gentleman from Illinois (Mr. WELLER), one of our great committee members.

Mr. WELLER. Mr. Speaker, today's debate is all about fairness. This Congress has accomplished so much over the last 5 years, and I am proud that just in the past year we have accomplished our goal of stopping the raid on Social Security for the first time in 30 years and we balanced the budget without touching one dime of Social Security, paid down \$350 billion of the national debt, and 3 short weeks ago this House passed with 268 votes, 48 Democrats joining with every House Republican, legislation wiping out the marriage tax penalty for 25 million married working couples who pay higher taxes just because they are married.

Like the marriage tax penalty, the earnings limit on our seniors is an issue of fairness. And I want to commend the Speaker of the House, the

gentleman from Illinois (Mr. HASTERT), the gentleman from Texas (Chairman ARCHER), the gentleman from Florida (Chairman SHAW), and the gentleman from Texas (SAM JOHNSON) who have been tireless leaders and fighters for this effort to bring fairness to seniors.

Mr. Speaker, let us not forget that this effort to repeal the earnings test on seniors was part of the Contract with America. It is unfinished business. For far too long, seniors who work after age 65 have been punished. Since the 1930s, seniors who live longer, want to be active longer and work longer, have been punished. 800,000 seniors in America, 53,000 seniors in my home State in Illinois, are punished just because they want to work when they are age 65 or older.

I think of my own parents, farmers in their early 70s today who want to work and be active longer. Like millions, they suffer.

Mr. Speaker, the earnings limit on seniors is wrong. Let us repeal it. I appreciate the fact the President now says he will sign it into law. That makes it a bipartisan effort. I commend the chairman and commend the Speaker and commend the gentleman from Texas (Mr. SAM JOHNSON) my friend, for their leadership. Let us get the job done. I ask for an "aye" vote.

Mr. MATSUI. Mr. Speaker, I yield 1 minute to the gentleman from California (Mr. SHERMAN).

Mr. SHERMAN. Mr. Speaker, success has many fathers; failure is an orphan. This bill is an outstanding bill and we are all fighting over paternity.

It is a bill that will help our economy by bringing experienced workers into a labor shortage work environment. It is a bill that will help 800,000 seniors and it is a bill that will actually help Social Security by bringing additional Social Security revenue and income tax revenue into the Federal Government as additional seniors enter the workforce.

□ 1130

As to the fight over paternity, it is a Democratic President who stood here in his State of the Union message and urged us to pass this bill and the Democratic alternative bill in 1998 which provided an increase in this limit which we are now going to repeal, and that alternative bill would have been signed into law. We voted for a bill that would have dealt with this issue in 1998 and would have become law.

Mr. SHAW. Mr. Speaker, I yield 1 minutes to the gentleman from New York (Mr. SWEENEY).

Mr. SWEENEY. Mr. Speaker, I rise very briefly to congratulate the gentleman from Texas (Chairman ARCHER). I rise in strong support to repeal the earnings limitation for Social Security recipients. I am particularly pleased to be an original cosponsor of

this legislation. And I want to congratulate the gentleman from Texas (Mr. JOHNSON).

We have had a lot of debate and discussion over whose idea this was, but I think the record is very clear and will very clearly show that we, the majority in Congress, over the last 5 to 6 years have really begun to move forward in a meaningful way to bring steps towards comprehensive reform of Social Security. I am proud to join that effort. This is good for senior citizens, and it is good for America.

Mr. Speaker, I urge my colleagues to support us in this endeavor.

Mr. MATSUI. Mr. Speaker, I yield 2 minutes to the gentleman from Michigan (Mr. LEVIN), a member of the committee.

Mr. LEVIN. Mr. Speaker, I rise in strong support of H.R. 5, bipartisan legislation, to repeal the Social Security retirement earnings test. I am a proud cosponsor of this legislation which has the backing of so many of us on the Committee on Ways and Means.

This legislation is supported by the Clinton administration. Indeed, the President called for repeal of the test more than a year ago.

As the Subcommittee on Social Security learned during the hearing on this bill on February 15, the retirement earnings test is both confusing to beneficiaries and difficult to administer. It discourages older people from remaining in the workforce and contributing to our country's economic growth. It is past time to eliminate this disincentive to work.

The bill repeals the test for workers who attained the normal retirement age. Its repeal will allow literally hundreds of thousands of Social Security recipients to work without a reduction in their benefits. This is an idea whose time has come.

It is important to note that the repeal does not adversely affect the long-term financial health of Social Security.

This bill shows that members of the committee can work in a bipartisan way. I hope this effort remains such.

Let me stress that passage of H.R. 5 today is not in any way a substitute for comprehensive Social Security reform. Congress must redouble its efforts to pass legislation to extend solvency of the fund.

Again, the President has proposed legislation that would defeat the interest savings earned by paying down the publicly held debt to make Social Security stronger. This would extend the solvency of the program to 2050.

There is an old proverb that says that a journey of 1,000 miles begins with a single step. We are taking a good first step with the passage of H.R. 5 today. It should not, Mr. Speaker, be our last.

Mr. SHAW. Mr. Speaker, I yield 2 minutes to the gentleman from Cali-

fornia (Mr. HERGER), an esteemed member of the Committee on Ways and Means.

Mr. HERGER. Mr. Speaker, what could be more fair than allowing seniors to continue working without losing Social Security benefits?

Today we are voting on legislation to end the outdated Social Security earnings limit. Under this legislation, more than 800,000 seniors nationwide will have the opportunity to work without seeing their Social Security benefits reduced.

Consider a senior in my district in northern California who is between the ages of 65 and 70 and who earns \$20,000 a year to supplement their Social Security benefits. Under current law, this senior will lose \$1,000 in Social Security benefits due to the earnings limit.

At a time when our U.S. workforce needs the skills seniors have to offer, this disincentive to work makes absolutely no sense. Our seniors deserve the freedom to work without being penalized for it.

This legislation before us today is based on the principles of fairness and freedom. Seniors should be treated fairly after paying into Social Security all their lives. They should have the freedom to work without worrying about losing their benefits.

Mr. Speaker, it is important to note that this legislation is fiscally responsible. It does not affect the long-term solvency of the Social Security trust fund.

I commend the President for supporting our position to end the outdated earnings limit. Mr. Speaker, let us give all our seniors the freedom and the fairness they deserve. I urge my colleagues to support this legislation.

Mr. MATSUI. Mr. Speaker, I yield 1 minute to the gentleman from Texas (Mr. GREEN).

Mr. GREEN of Texas. Mr. Speaker, I thank not only the gentleman from California (Mr. MATSUI) but also the members of the Committee on Ways and Means for allowing me to speak.

I rise in support of the Senior Citizens' Freedom to Work Act, a legislation that I am proud to be a co-sponsor of and will vote for today.

It seems hard to believe that our tax law actually punishes people for working. Yet under the current law, 48,000-plus Texans lose all or part of their Social Security payments each month simply because they want to work. Now if one can work after one is 70 years old, one is not penalized.

Seniors who have worked hard their whole lives and paid into the Social Security system for decades should get their Social Security benefits regardless of whether they continue to work. This important legislation puts an end to the inequitable treatment of seniors.

My only concern, Mr. Speaker, is that, hopefully, this is not a step toward increasing the retirement age,

Congress already did that once, instead of using 65. So hopefully this will not happen.

This is a clean bill. It is not loaded down with other provisions. So it does not bust the Federal budget caps that we have talked about.

Hopefully, this Congress can address other senior citizens issues, providing prescription medication for seniors, because allowing them to work still may not pay for it.

Mr. SHAW. Mr. Speaker, I yield 2 minutes to the gentleman from Pennsylvania (Mr. ENGLISH), a respected member of the Committee on Ways and Means.

Mr. ENGLISH. Mr. Speaker, I particularly want to congratulate the gentleman from Florida (Mr. SHAW), chairman of the Subcommittee on Social Security, for his extraordinary leadership, not only on this issue, but in moving forward to make Social Security more solvent.

Mr. Speaker, today Congress says to seniors, you may choose to work, choose to remain part of the productive economy, and choose to share your talents. Right now the Social Security system places a higher tax penalty on working seniors than on billionaires. We have been sending seniors the message that when they hit retirement age that we do not want them anymore. We need to change that.

The earnings limit was created 60 years ago, and it is a relic of Depression-era economics that says seniors should make room for younger workers. We now know that seniors add more to the workforce and more to the economy than they can ever take away. They add their years of experience, their expertise, their talents.

This legislation repeals the earnings limit that unfairly punishes seniors who earn more than \$17,000 a year. This arbitrary limit serves as a barrier to many low- and middle-class seniors who take on a job because they need to work in order to improve their quality of life or even just to make ends meet. They must not lose Social Security benefits that they earn simply because they choose to work.

The Social Security Administration reports that more than 800,000 working seniors between the ages of 65 and 69 lose part or all of their Social Security benefits due to this outdated limitation. That is an outrage.

In Pennsylvania, we are sixth in the number of seniors adversely affected by the earnings limit; 48,000, over 48,000 Pennsylvania seniors are penalized for working.

I urge my colleagues to join the AARP, join the Subcommittee on Social Security, and the gentleman from Florida (Mr. SHAW) and vote in favor of this legislation. It is important that Congress protect the dignity of retirement and unshackle the creative energies of America's seniors.

Mr. MATSUI. Mr. Speaker, I yield 1½ minutes to the gentleman from New Jersey (Mr. PASCRELL).

Mr. PASCRELL. Mr. Speaker, I thank the gentleman from California (Mr. MATSUI) for yielding me this time.

Mr. Speaker, I would like to commend the gentleman from Texas (Mr. ARCHER) and the gentleman from New York (Mr. RANGEL) for the leadership in working to bring to the floor this very important piece of legislation.

We are focusing on reforming our existing Social Security program, correcting an unfairness that impacted 800,000 seniors last year. It provides an incentive for those skilled, dedicated committed workers to continue to work and enhance our society.

I want to bring one thing, Mr. Speaker, to the attention of the folks here today; and that is this, we have been told by Mr. Greenspan that one of the greatest threats to the growth in the economy is we do not have enough workers, skilled workers, to produce the supply for the demand that is out there.

This is a very unusual situation that we are in. Thank God for the seniors who are going to bail us out, because this will be an incentive for them. This is critical. This is something that we need, and we are working together finally. By the way, does it not feel good to work well on things that America needs?

Mr. SHAW. Mr. Speaker, I yield such time as he may consume to the gentleman from Illinois (Mr. HASTERT), the Speaker of the House.

Mr. HASTERT. Mr. Speaker, I thank the gentleman from Florida (Mr. SHAW) for yielding me this time.

Mr. Speaker, when one looks at the genesis of an idea, why a bill like this comes into being, sometimes it has not just happened overnight. This particular bill, this has been worked on for almost 20 years.

I remember the gentleman from Texas (Mr. ARCHER) when he first came to Congress talked about this. The gentleman from Texas (Mr. ARMEY) tried to push this concept. He brought together economists that shows there is really a positive effort when people work. The positives, when one does dynamic scoring, really has outshone what the negatives were, and that was the payment is out of the Social Security trust fund.

Then 14 years ago, the 100th Congress decided that this was a project that was something that was important for people. For 14 years, we have been trying to get the Social Security earnings limit, as we call it, changed. We did change it. Twelve years ago, one could earn \$10,000; and anything over \$10,000, every \$2 that one earned one lost a dollar in one's Social Security. Then we kind of phased it out to \$3, and it went up from \$10,000 to \$13,000 to \$17,000 today.

But the fact is, when a senior citizen goes to work at McDonald's or starts his or her own little business or, like the lady 10 years ago when I bought Valentine flowers for my wife at the florist shop, she said, Congressman, I had just came back to work in January. I had stopped work last October because I was up against the earnings limit, at that time about \$10,000. I had to leave my job. Or the seamstress at the little corner dress shop that the owner came out to me and said, I am going to lose my seamstress because she has reached that earnings limit. That was in November just at a busy time.

So the unfairness of the earnings limit for today's worker certainly has been apparent, and it has been apparent for a long time.

Slowly, but surely, we have been able to move this bill to a point where we can pass it and we can give equity to seniors, people who are over the age of 65 that do not want to relegate themselves to a rocking chair.

Now, quite frankly, some seniors at age 65 want to retire, and God bless them. They should be able if they have had that productive life. But the issue is that seniors who maybe did not have to work by the sweat of their brow their whole life, that they have unearned income, if they have pensions and they have retirement accounts, they were not penalized by the earnings test.

The people that were penalized by the earnings test were people that had to go out and earn by the sweat of their brow, people that were never to save up, never to have an IRA, never to be able to have a lot of money in pensions, people that had to go out and work every day to feed their families, to make ends meet. Now they are 65 years of age and, all of a sudden, they have a big government tell them, oh, by the way, you can get Social Security, but you cannot work anymore.

□ 1145

"You cannot work to send your grandchild or child on to college; you cannot help earn that tuition for your family and, by the way, you cannot have that car that you would like to have to go on vacation because you cannot earn more than this amount of money because you are going to be penalized."

This is wrong. It has been wrong for a long, long time. And especially in today's economy, when seniors are valued, because it is the seniors that have work ethics. It is the seniors that put in a full day's work, and they know the value of work. People like Sears Roebuck and J. C. Penney and McDonald's, and on and on, have been telling me for over a decade that they want those seniors in their ranks. Because not only are they good workers, people they can depend on, but for people en-

tering the work force they are great people to train. It is a good ethic to pass on.

So we cannot afford to keep this resource, these people who have built this country, these people who want to contribute, even into their retirement, to what America is all about, we cannot afford to keep them out of this process.

I want to again say that I urge everybody to vote for this bill. And I am very pleased that the President has endorsed this piece of legislation. I think it is good, as the gentleman said, that we have found something that we can work on, something that lifts the American people and gives them a better future.

I want to also thank certainly the gentleman from Florida (Mr. SHAW) for bringing this legislation up, and the gentleman from Texas (Mr. SAM JOHNSON), who has worked on this as a pioneer for years, and JIM BUNNING, who used to be a Member of this body worked on it for years and years. There are a lot of people and a lot of history here.

I think it is time that this bill passes, and I urge everybody to stand up and vote "yes." Thank heavens this is here, a time of salvation for our seniors.

Mr. MATSUI. Mr. Speaker, I yield 1½ minutes to the gentleman from Mississippi (Mr. SHOWS).

Mr. SHOWS. Mr. Speaker, I rise today to express my strong support for H.R. 5, to repeal the Social Security earnings limit.

I am pleased finally to have the opportunity to bring this to a vote. After all, House Democrats have long supported repealing the earnings limit, but within the framework of comprehensive Social Security reform, to protect the Social Security Trust Fund and make sure it is there for seniors who need it.

The Republican tax cut actually held the Social Security earnings limit hostage to election year politics. Their proposals would have raided the Social Security surplus to fund huge ill-conceived tax cuts, of which repeal of the earnings limit was one small part.

Seniors will not be fooled by a political effort to tie repealing the Social Security earnings limit to a tax cut that would have been funded by raiding the Social Security surplus.

I support eliminating the earnings limit. More than that, I support being honest with our seniors.

Mr. MATSUI. Mr. Speaker, I yield 1½ minutes to the gentleman from New Jersey (Mr. HOLT).

Mr. HOLT. Mr. Speaker, I thank the gentleman for yielding me this time, and I rise in strong support of H.R. 5, bipartisan common sense legislation to repeal the Social Security earnings test.

I believe the Social Security earnings test should be eliminated. Simply put,

this provision of the Social Security law has outlived its usefulness. It is a relic from another time. It survives only to punish older Americans for their productivity.

Today, most seniors continue to work at least part time after retiring. These men and women have some of the most dedicated and experienced skills to bring to our work force. And, as a Nation, we should be doing everything we can to encourage them to continue to contribute their time and their talents, not penalize them for doing so.

H.R. 5 would repeal this limit entirely, effective immediately. It is a bill that is worthy of our unanimous support. The President proposed it; both parties support it. It is simple, we need to pass H.R. 5.

We also need to undertake a comprehensive legislative fix that would use the projected budget surpluses to extend the life of Social Security and Medicare and pay down the debt.

Mr. MATSUI. Mr. Speaker, I yield 1½ minutes to the gentleman from Maine (Mr. ALLEN).

Mr. ALLEN. Mr. Speaker, I thank the gentleman for yielding me this time, and I rise in strong support of repeal of the earnings limit for Social Security recipients between 65 and 70 years of age.

When I talk to employers in Maine, many cannot find all the employees that they need. Many seniors between 65 and 70 want to work but are discouraged from doing so by the Social Security earnings limit. This bill will help seniors who want to work and employers who want to hire them.

This bill is also an example of what Republicans and Democrats can do when we bring to the floor legislation on which we can agree. In 1998, I voted for a Democratic proposal to lift the earnings limit, but I pointed out at that time that the competing 1998 Republican plan included tax cuts that did not protect Social Security surpluses. That was the wrong approach and I opposed it. This bill is the right approach, and I am proud to support it.

Mr. MATSUI. Mr. Speaker, I yield 1½ minutes to the gentlewoman from Nevada (Ms. BERKLEY).

Ms. BERKLEY. Mr. Speaker, I rise in strong support of H.R. 5, to repeal the Social Security earnings test. It is long overdue.

It makes absolutely no sense to penalize older Americans for participating in the work force at any time. It makes particularly no sense to penalize older Americans at a time when businesses are clamoring for qualified workers. Our most experienced workers should not be left out of America's work force, out of America's future.

Many of the seniors in the district I represent in southern Nevada have asked me to champion this issue on their behalf. They have so much en-

ergy, so much talent, so much to continue to give this great country. Congress must repeal this obsolete earnings limit and give seniors the freedom to work without penalty.

Mr. SHAW. Mr. Speaker, I yield such time as he may consume to the gentleman from North Carolina (Mr. COBLE).

Mr. COBLE. Mr. Speaker, I rise in strong support of this proposal and commend the gentleman from Texas (Mr. SAM JOHNSON) and the gentleman from Florida (Mr. SHAW) for their efforts in this endeavor.

Mr. SHAW. Mr. Speaker, I yield 2 minutes to the gentleman from Georgia (Mr. COLLINS), a member of the committee.

Mr. COLLINS. Mr. Speaker, if we are to climb the mountain of tax reform, we have to take it one step at a time; and I think the right approach is to aim first at individuals and remove the burden of excessive taxation and complicated regulations.

The very first place to start is by scrapping tax penalties. Why hit people with a heavier tax burden for being married, for working after retirement, or for building a family business or farm? The Senior Citizens Freedom to Work Act is an important step to remove one of those penalties. It will end the Social Security earnings limit which discourage seniors from continuing to work.

This legislation follows an important first step we took a couple of weeks ago with the passage of the marriage penalty tax relief. Finally, I hope that we will take a third step, and that is by helping families by eliminating the death penalty tax which hammers families, family-owned businesses and farms.

Mr. Speaker, let us keep moving forward, making progress in tax reform and support H.R. 5.

Mr. MATSUI. Mr. Speaker, I yield 2 minutes to the gentleman from Texas (Mr. FROST).

Mr. FROST. Mr. Speaker, I rise today in strong support of H.R. 5, legislation that is long overdue for our Nation's seniors.

In 1999, an estimated 1.2 million beneficiaries had some or all of their benefits withheld for some portion of the year under the Social Security earnings test. About 800,000 beneficiaries lost some or all of their benefits under the test as a result of their work at ages 65 to 69. Additionally, the benefits of 150,000 family members were limited or withheld due to the earnings of the primary beneficiary.

Mr. Speaker, for many seniors, working after the age of 65 is not an option. Facing mounting bills for prescription drugs and the increasing cost of living, it is something they must do to continue to pay their bills. We should be doing everything we can to increase the standard of living for these valuable employees.

Older women in particular face a major hardship from the earnings test. The poverty rate for women is higher than the poverty rate overall, and women have a greater reliance on their Social Security benefits for income. Widows account for 66 percent of aged women in poverty. There are 1.2 million aged widows who receive Social Security benefits and have had incomes below the poverty line.

Because women live longer, have lower lifetime earnings and, therefore, for dependent on Social Security benefits, they are more likely to be working well past the traditional retirement age. We need to boost the Social Security earnings for this most vulnerable group of seniors rather than putting roadblocks in their path.

Mr. Speaker, repealing the earnings limit is good for seniors and good for employers too. Older workers are exactly the type of employees that businesses want. They are dependable, experienced, and have a strong work ethic. We should be encouraging these workers to remain in the work force instead of trying to force them out. As the number of older workers grows, and the need for quality employees becomes more acute, we need to take advantage of the experience and skills that older workers provide.

Eliminating the earnings test is not only the fair thing to do for working seniors but it will improve the quality and efficiency of the Social Security program as well.

Mr. SHAW. Mr. Speaker, I yield 2 minutes to the gentleman from Minnesota (Mr. RAMSTAD), a member of the Committee on Ways and Means.

Mr. RAMSTAD. Mr. Speaker, I thank the gentleman for yielding me this time and for his leadership on this issue.

Mr. Speaker, I rise today in strong support of this bill to get rid of the Social Security earnings limit. I have been an original cosponsor of this bill many times, and I am pleased that we have gotten to this point today.

The need for this bill was really brought home to me last Friday. In my district office in Bloomington, Minnesota, a woman named Anna Marie came to see me and said she needed to talk to me about a very personal, very important matter related to Social Security. When she came into my office she was noticeably upset and apprehensive about her situation. She sat down and explained to me that \$4,000 had been taken out of her retirement benefits and she desperately needed that money today. In fact, she needed the money for dentures, and if she did not get those new dentures she would be placed on a liquid diet, unable to eat solid food. The \$4,000 she had lost would help her afford these dentures and maintain the independence and life-style that she deserves.

When I told her about what Congress would hopefully do today, about the

bill before us to remove the Social Security earnings limit, she started to cry. Her eyes welled up with tears, she clasped her hands together and she said, "Praise Jesus. Thank you, God."

Well, this is an important bill in the lives of real people, real seniors who need that \$4,000, who need the money that has been taken by the Federal Government. In voting for it, my colleagues, we help Anna Marie, we help many others like her across the country. In voting for it, to remove the Social Security earnings limit, we will make a real difference in the lives of real seniors, ensuring that not only can they keep the money they earn, that they need, but also the independence that these seniors deserve.

So I hope in a bipartisan way we overwhelmingly pass this legislation before us today.

Mr. MATSUI. Mr. Speaker, I yield 1½ minutes to the gentleman from Washington (Mr. SMITH).

Mr. SMITH of Washington. Mr. Speaker, I too rise in strong support of H.R. 5 today. This bill is a win-win situation, not just for seniors but for the country as a whole as well.

Clearly, it is to the great advantage of seniors to have the opportunity to continue to work, to bring in income and not have their Social Security cut.

□ 1200

It is the right thing to do. Seniors, particularly between 65 and 70, still have a lot of bills and a lot of concerns that Social Security cannot meet. Allowing them to work is a way to help them make that up. But it is also a great benefit to our economy. If there is one thing I hear from every business in my district, it is that they cannot find enough workers. It does not matter what the job is; they cannot find enough people to do the jobs they need.

Well, we have a wealth of talent out there with great experience, and that is our seniors who can fill those jobs and help our economy. This bill is fair to seniors, excellent for the economy, and I recommend that we support it strongly.

I also think it is great that it is a bipartisan piece of legislation. It shows an example of where the House can work together to solve real problems for real people in this country, and I am very proud to support it.

Mr. SHAW. Mr. Speaker, I yield 2 minutes to the gentleman from Ohio (Mr. PORTMAN), an esteemed member of the Committee on Ways and Means and a member of the Subcommittee on Social Security.

Mr. PORTMAN. Mr. Speaker, I appreciate the gentleman yielding me the time; and I want to thank him and the gentleman from Texas (Mr. ARCHER) and other members of the Committee on Ways and Means who have put this legislation forward. I rise in very strong support of it, the Senior Citizens' Freedom to Work Act, properly

named, as well.

The gentleman from Minnesota (Mr. RAMSTAD) talked earlier about a constituent who had come into his office and talked about the penalty that she now lives under, which is about 4,000 a year, and does not enable her to do things she needs to do for herself.

Let me tell my colleagues another story. And there are so many out there. Each of us knows people in our districts, maybe in our family, who are affected by this. But Marjorie Thompson is a dear friend of mine back home. She is a caregiver. She is a nurse. She takes care of elderly patients primarily. She is a compassionate, a skilled person who has a very strong work ethic and wants to work.

Marjorie is in her late sixties, and she wants to go to work every day. She has come to me and she has said, Rob, should I work? And I have to tell her that her marginal tax rate for every additional dollar she earns now is about 80 percent. She is getting advice now from everybody she knows that say, of course she should not work, not with that kind of penalty.

If we could take away the earnings penalty from her, she would work and she would work a full year and she would not stop when she has reached that cap.

People like Marjorie Thompson are needed. They are needed to care for our elderly. They are needed throughout our economy. These are people that have a lot to contribute. And it is not just economically. They have a lot to contribute to our society. They want to work. They want to have the dignity and the self-respect that comes with work.

The last thing that this Congress and this Government should be doing is discouraging them from working. We have to remove this penalty from the Tax Code. It is overdue.

Again, I commend the gentleman from Florida (Mr. SHAW) and others, the gentleman from Texas (Mr. SAM JOHNSON) who put this forward. And I am really looking forward to its being enacted into law.

Mr. MATSUI. Mr. Speaker, I yield 1 minute to the gentlewoman from New York (Mrs. MALONEY).

Mrs. MALONEY of New York. Mr. Speaker, I rise in strong support of repealing the earnings test for Social Security beneficiaries between the ages of 65 and 69.

There is currently a shortage of workers in the U.S. There is no good reason for Social Security to punish people who want to work. These more mature workers are some of our Nation's most skilled.

Mr. Speaker, the earnings limit is a relic of the Depression era. With Americans living longer, Social Security should not dictate their life-style choices to them. This bill is good social

policy and good economic policy. It does not make sense to punish Americans for working when Congress is being lobbied to allow additional workers into the country from other countries.

Mr. Speaker, I am pleased that we are approaching this in a bipartisan manner; and I hope that my colleagues on both sides of the aisle can use this year to address broader reform.

When discussions turn to handling the budget surplus, we must insist that the solvency of Social Security and Medicare are addressed first and that our older citizens have a prescription drug benefit. We should be addressing this now, not adjourning.

Mr. SHAW. Mr. Speaker, I yield 1 minute to the gentleman from California (Mr. KUYKENDALL).

Mr. KUYKENDALL. Mr. Speaker, I rise today in strong support of this legislation. It is important legislation for our seniors.

Incredibly, seniors between the ages of 65 and 70 currently lose a dollar's worth of Social Security benefits for every \$3 earned over \$17,000. Seniors should not be penalized for working. It is just plain unconscionable that the Government would take away these hard-earned benefits.

With our powerful economic growth continuing, the need for skilled workers in the workforce is increasing. To have any disincentive to work is bad policy. More than 800,000 working senior citizens lose part or all of their Social Security benefits due to this obsolete provision. And today we can remove the earnings limit.

I am glad to hear also the President recognizes this unfairness in this earnings limit. Ending the earnings limit is good for seniors, good for the Nation; and it is the right thing to do. I urge my colleagues to support this legislation.

Mr. MATSUI. Mr. Speaker, I yield 1½ minutes to the gentlewoman from California (Ms. SANCHEZ).

Ms. SANCHEZ. Mr. Speaker, today I rise in support of H.R. 5, legislation to repeal the earnings test for Social Security for the ages 65 through 69. It is time to get rid of this penalty, and I am glad that we are finally debating this issue.

The earnings limit originated in the 1930s, but today people remain healthy and vigorous longer than they did then; and it makes sense to repeal this obsolete and punitive limit.

It makes no sense to penalize seniors, some who still have to work in the workplace, some who want to contribute their skills to the workplace, especially in a time when businesses are finding it difficult to recruit enough qualified workers to fill the jobs that remain vacant.

The current system is a disincentive for seniors to continue to work, and it needs to be changed. And this legislation is long overdue.

But there are a lot of other things we also need to work on. We need to help retirees by using the surplus to extend Social Security and Medicare, to provide a prescription drug plan for all seniors, and to lift the limit on outside income for beneficiaries of Social Security.

I have supported raising the limit in the past, and I support repealing it today.

Mr. SHAW. Mr. Speaker, I yield 2 minutes to the gentleman from Illinois (Mr. CRANE) a respected member of the Committee on Ways and Means.

Mr. CRANE. Mr. Speaker, I want to thank the chairman for yielding to me this time.

I want to say to my colleagues that all of us understand the meaning of the phrase "an honest day's pay for an honest day's work."

Because of the many, many decades of hard work in all kinds of jobs, our older Americans appreciate that adage more than most. They know what it means to expend a lifetime of dealing with the uncertainties of living paycheck to paycheck. They got up early every morning, went to the assembly line, the office, the shop, and came home at night to enjoy some time with family and friends.

When they were rearing their families, they simply hoped to make life a little better for their children; and when they reached retirement age, they hoped to collect the money they contributed to Social Security and a pension. But if they continue to work after 65, they are forced to watch the Federal Government continue to try to squeeze every cent it can from their paycheck; and to add insult to injury, even their Social Security is affected until they turn 70.

So I proudly stand before my colleagues today because, after decades of trying to eliminate the Social Security earnings limit, it is finally happening on the floor of the House today. This means that the over 42,000 seniors living in my district, many of whom continue working beyond the average retirement age, will be getting a little bit of a break.

On behalf of my 8th District constituents, I want to thank and commend my colleague, the gentleman from Texas (Mr. SAM JOHNSON), for his persistence in getting H.R. 5 to the floor for a vote. I want to commend the gentleman from Texas (Mr. ARCHER), our chairman, who was pioneering in this effort years ago. And I want to commend the gentleman from Florida (Mr. SHAW), our distinguished chairman of the subcommittee, for all of his efforts. And I commend all of our colleagues, on a bipartisan basis, for joining as cosponsors of a bill that my colleagues, I know, will want to unanimously support and eliminate this obscene tax.

Mr. MATSUI. Mr. Speaker, I yield 1 minute to the gentleman from Tennessee (Mr. CLEMENT).

Mr. CLEMENT. Mr. Speaker, I am very pleased today that H.R. 5 is moving.

I have been in Congress for several years now, and this is a piece of legislation that I have felt like should have been passed many years ago. And I know senior citizens that have quit work simply because the penalty was too high.

Now they will be able, after this legislation passes the House and Senate and signed by the President, and I expect it all to happen this year and very soon now, where senior citizens will have an opportunity to make some decisions and whereby they can have some structure in their lives, where they can have some peace of mind, knowing that if they want to continue to work, and many of them want to do that, they will be able to accomplish those goals and objectives for themselves and their families.

It is estimated that, under current law, about 4 percent of Social Security recipients will exceed the \$17,000 earnings limit and will have the benefits reduced by an average of \$8,154. That does not have to happen now with this legislation.

Mr. SHAW. Mr. Speaker, I yield 1 minute to the gentlewoman from Illinois (Mrs. BIGGERT).

Mrs. BIGGERT. Mr. Speaker, I rise today to commend the gentleman from Texas (Chairman ARCHER) and the gentleman from Florida (Chairman SHAW) and in support of the Senior Citizens' Freedom to Work Act.

The Members of this body have different philosophies about the role of government. Some want an expansive, activist government. Others, like myself, believe that government should have a much more limited role. But I think everyone agrees that the Government should not discourage hard work and self-sufficiency. Unfortunately, we do just that. And nowhere is this more evident than with the so-called Social Security earnings limit.

Incredibly, more than 800,000 working seniors between the ages of 65 and 69 lose part or all of their Social Security benefits simply because they choose to work in their golden years. This is wrong.

No matter what the rationale for the earnings limit was during the Great Depression, this is the year 2000. We should not stand for a Tax Code that penalizes hard work and responsibility.

I urge all my colleagues to support the Senior Citizens' Freedom to Work Act.

Mr. MATSUI. Mr. Speaker, I yield 1½ minutes to the gentleman from Texas (Mr. HINOJOSA).

Mr. HINOJOSA. Mr. Speaker, I want to say how glad I am that today we have an opportunity to vote to repeal

the earnings test for Social Security beneficiaries between the ages of 65 and 69. This action is long overdue.

The earnings limit originated in the 1930s when the Social Security program was started during the Depression, and it remains despite the vast changes in the economy and the lives of senior citizens that have taken place over the last 60 years.

It makes no sense to penalize seniors for participating in the workplace, especially at a time when businesses cannot find enough qualified workers to fill jobs that remain vacant. People remain healthy and vigorous longer than they did in the 1930s. So it makes perfect sense to repeal this obsolete and punitive limit.

By passing this bill, seniors who need or want to work can now do so without the fear of being punished by an outdated law.

I am glad that today we, both sides of the aisle, can all be on the same page and finally take this action. Let us vote "yes" to pass H.R. 5.

Mr. MATSUI. Mr. Speaker, I yield 1½ minutes to the gentleman from Minnesota (Mr. MINGE).

Mr. MINGE. Mr. Speaker, I would like to thank my colleague from California for yielding the time to me.

Mr. Speaker, I join in the parade of Members who support this legislation. Previously, this proposal to lift the earnings limit has been used as a partisan Trojan horse. It included tax cuts that were controversial, and it would have required raiding the Social Security trust fund.

Today we have a balanced budget, we are not engaged in a raid on the Social Security trust fund, and we can approve this proposal on its merits. It is not a Trojan horse. It is not accompanied by other controversial Internal Revenue Code changes.

Strong policy considerations support this legislation. They have been amply stated by previous speakers. I would just like to say them briefly: fairness to seniors who wish to work. We should encourage a work ethics. Two, it is budget neutral. This proposal does not cost money. Three, we have a labor shortage. We need additional workers in America.

□ 1215

I am pleased to join in supporting this legislation.

Mr. MATSUI. Mr. Speaker, I yield 1½ minutes to the gentleman from Oregon (Mr. WU).

Mr. WU. Mr. Speaker, I rise today as a cosponsor of H.R. 5, the Senior Citizens' Freedom to Work Act. Under current law, seniors who earn more than \$17,000 per year are penalized \$1 for every \$3 of additional earnings. This is wrong. We should not penalize hard work. It makes no sense to penalize seniors who are participating in our work force, especially at a time when

we cannot find enough workers to fill a burgeoning economy.

I have heard from many small businesses in my district that are very excited about the possibility of hiring additional workers, workers who have solid work values, who are responsible, experienced and eager to fill the positions which are currently available.

As we vote on this important bipartisan legislation today, I want to encourage my colleagues to continue work in assisting our seniors to retire so they are not forced to work. However, I strongly believe that those who choose to work should not be penalized. And this bill solves that.

I urge my colleagues to support this long-needed legislation.

Mr. MATSUI. Mr. Speaker, I yield 3 minutes to the gentleman from Texas (Mr. STENHOLM), the ranking Democrat on the Committee on Agriculture.

Mr. STENHOLM. Mr. Speaker, I rise in strong support of this legislation and encourage all of my colleagues to support it. I have been a strong supporter of legislation to repeal the earnings limit for several years. In fact, repeal of the earnings limit was part of the comprehensive Social Security reform package that I introduced, along with the gentleman from Arizona (Mr. KOLBE) in 1998.

Our legislation though contained several other provisions that rewarded individuals who continued to work after retirement age. While I am disappointed that Congress is not acting on the other parts of our proposal to strengthen Social Security, I am very pleased that this part of our legislation is going to be enacted today.

Senior citizens are some of our most valued workers, contributing a wealth of experience that can be gained only through years of dedicated service. For this reason, I agree wholeheartedly with the statement of former Senator Bentsen that discouraging seniors citizen from working is "like keeping your best hitters on the bench."

Our society should not overlook the contribution of our seniors. Unfortunately, press reports suggest that some in the Republican party intend to use this vote on the earnings limit for partisan political purposes. I would ask a reconsideration of those who choose to do that.

As Democrats who have worked in a bipartisan way on comprehensive Social Security reform, I am extremely disappointed by these reports and hope that the Republican leadership will repudiate these tactics. The suggestions that Democrats have opposed repeal of the Social Security earnings limit are completely false.

Democrats have supported repeal of the Social Security earnings limit as part of a comprehensive legislation that keeps Social Security strong for those currently retired or close to it, and everyone knows that.

In fact, the reported line of criticism being suggested by some actually raises questions about their commitment to the integrity of the Social Security trust fund. The votes being cited to criticize Democrats were on bills that would have raided the Social Security surplus to fund tax cuts, in which repeal of the earnings limit was one small part.

Seniors will not be fooled by a political effort to use the issue of repealing the Social Security earnings limit to advocate a tax cut that would have been funded by raiding the Social Security surplus.

The past votes that some Republicans seek to exploit for political purposes were on bills that would have threatened the integrity of the Social Security trust fund. The \$80 billion tax cut considered by the House in the fall of 1998 that included repeal of the Social Security earnings limit would have been funded entirely out of the Social Security surplus.

The Republican leadership at that time did not even allow a vote on the Stenholm-Neumann amendment, which provided that the tax cuts could not be funded with a Social Security surplus. Likewise, the tax bill considered by the House last year would have dipped into the Social Security surplus by more than \$70 billion and would have exploded in costs at the same time the Social Security system is projected to begin running shortfalls.

Let us use today to set aside the bipartisanship. Let us recognize that today we are reaching out in a bipartisan way in order to do what everyone has agreed. While I am critical of the fact we are not doing more, we accept this today, let us put the partisanship aside. Let us continue to reach out for a long-term solution for Social Security.

Mr. SHAW. Mr. Speaker, I yield 2 minutes to the gentlewoman from Washington (Ms. DUNN), a respected member of the committee.

Ms. DUNN. Mr. Speaker, on behalf of the seniors and near seniors in the Congressional district that I represent, I rise today in enthusiastic support of H.R. 5, the Seniors Citizens' Freedom to Work Act.

The Social Security earnings limit is another aspect of a 60-year old Social Security system that no longer applies to modern society. These days seniors are living longer. They are healthier, and yet too many of our Nation's best workers are sitting in rocking chairs.

We need their strength. We need their experience in our communities. And young people starting new jobs need their example, their example of the value of work and the discipline of work. Unfortunately, by denying retirement benefits for those who choose to work, Social Security penalizes seniors who want to be productive and teach the values of hard work to younger generations.

Mr. Speaker, this bill is also very important to women who, 75 percent of the time, live longer than their spouses. And they ought to be able to have the peace of mind that they can supplement their retirement earnings if they wish without being penalized.

In Washington State alone, more than 13,000 seniors have been forced to choose between keeping the job they love or losing the retirement income for which they worked all their lives. This is wrong. It also keeps an intelligent and productive part of our work force at home.

Seniors who are currently retired have been called the greatest generation, for the sacrifices they made in defending freedom and building America into the world's only remaining superpower. It is time that we honor the contributions to America, their contributions, by allowing them to work, if they wish, and to give one of the most precious gifts of all, that they can offer their work ethic.

I want to congratulate the gentleman from Florida (Mr. SHAW) and the gentleman from Texas (Mr. SAM JOHNSON) for persevering in this cause. I want to urge my colleagues to support this bill and the President to sign it.

Mr. MATSUI. Mr. Speaker, I yield 5 minutes to the gentleman from Missouri (Mr. GEPHARDT), the Democratic leader.

Mr. GEPHARDT. Mr. Speaker, today we are taking the first step towards strengthening retirement security for all seniors and moving closer to putting Social Security on a firmer footing for the rest of the century. This time, we are doing it in a fiscally responsible way.

I am gratified that Republicans are joining with us to repeal the earnings test for Social Security. This is truly a bipartisan effort. Democrats have overwhelmingly voted three times in recent years to raise the limit and President Clinton has requested repealing this earnings limit in his last two budgets. The sooner we send this to his desk, the faster we will be able to deliver this relief to seniors who want to continue making a real contribution to our society and our economy.

Unlike a Republican attempt to raise the limit in 1998, the bill we debate today does not hurt the long-term solvency of Social Security to do so. This reform is long overdue. It is about time that we stand up for America's seniors.

According to Federal Reserve Chairman Greenspan, we are beginning to suffer from a serious worker shortage that threatens our economic expansion. This bill will play a major role in protecting our economic gains of the last 7 years. It will not only help raise the standard of living for many of our seniors but it will also help us keep the strongest economic growth of our lifetime on track by keeping a generation of skilled workers in the economy.

I met with a number of small business owners in South County St. Louis in my district this past weekend and they talked about their need to hire workers over the age of 65 because they are having such trouble finding skilled workers for jobs that are available right now. This bill will encourage seniors to return to the workplace and enable business owners to fill vacant jobs.

This earnings limit is a relic of the great depression when we experienced double-digit unemployment among young people. The limit does not make any sense in the year 2000. It needs to be relegated to the dustbin of economic history. This is just the first step towards strengthening retirement security for all seniors. Now it is time to take the next step, using the surplus to extend the life of Social Security and Medicare.

Today, we are voting to allow working seniors to fully enjoy their Social Security benefit, but that very benefit will be in danger if Republicans do not join with Democrats to take immediate action to strengthen the Social Security trust fund with an infusion of financial support.

I hope my Republican colleagues will join us over the next several months in using the surplus to strengthen both Social Security and Medicare. This bill shows that Democrats and Republicans can work together to rebuild and build retirement security. I hope that we can build on this foundation and work together to put Social Security and Medicare on a sound financial footing well into the next century.

Mr. SHAW. Mr. Speaker, I yield 1 minute to the gentleman from New York (Mr. GILMAN).

Mr. GILMAN. I thank the gentleman for yielding me this time. Mr. Speaker, I rise in strong support of the Senior Citizens' Freedom to Work Act. This bill is simple and straightforward, removing the earnings limit for working seniors receiving Social Security. Seniors aged 65 to 69 who have chosen to continue to work have had their Social Security benefits reduced by \$1 for every \$3 earned when their total earnings went over \$17,000 annually.

The 104th Congress made a long needed change, raising the annual earnings limit to \$30,000 by the year 2002. More needed to be done on this issue. Ever since coming to Washington in the 93rd Congress, I have introduced legislation to either raise the earnings limit or eliminate it altogether. These earnings limits have discouraged seniors from working and diminished their potential productivity, conveying a message that seniors have nothing to contribute and are better off not working in the workforce. It is gratifying that the President has stated his support for the elimination of the earnings limit, and I commend the gentleman from Florida (Mr. SHAW) and the gentleman from Texas (Mr. SAM JOHNSON) for their attention to this important issue.

Accordingly, I urge our colleagues to join in supporting this timely, important senior legislation.

Mr. MATSUI. Mr. Speaker, I yield 1½ minutes to the gentleman from Kentucky (Mr. LUCAS).

Mr. LUCAS of Kentucky. I thank the distinguished gentleman from California for yielding me this time.

Mr. Speaker, I rise in strong support of H.R. 5, the Senior Citizens' Freedom to Work Act. The elimination of the Social Security earnings limit is a reform that is long overdue.

Under the current system, senior citizens are forced to choose between the loss of their Social Security benefits and dropping out of the workforce. What a terrible message to send to our seniors that their work is not valued. With their wealth of information and experience, senior citizens are a truly vital part of the stability of our workforce and the development of the workforce of tomorrow.

The current limit takes away the benefits from those who have rightfully earned them through a lifetime of hard work. We should not be punishing our senior citizens for continuing to work but, rather, encouraging them. That is just common sense.

Mr. MATSUI. Mr. Speaker, I yield 1½ minutes to the gentleman from Illinois (Mr. RUSH).

Mr. RUSH. I want to thank the gentleman from California for yielding me this time, and I want to commend him for his leadership on this very, very important piece of legislation.

Mr. Speaker, I rise in support of H.R. 5, the Senior Citizens' Freedom to Work Act. This Social Security earnings limit is wrong and archaic. Why penalize able-bodied senior Americans who can work? At a time when our economy is in need of an experienced workforce, we should not be turning our backs on seniors who have valuable experience and skills.

The worst part of the earnings limit is that it penalizes poor senior citizens. Mr. Speaker, not every senior who retires has private pensions to supplement their Social Security benefits.

□ 1230

Health costs are rising; prescription drugs are unattainable. Seniors need to work to supplement their Social Security benefits. No longer should we force seniors to choose between food and medicine. Do not deny our seniors their basic rights. We must do away with this archaic earnings limit which deprives our seniors of their earned benefits.

Again, Mr. Speaker, I rise in support of H.R. 5.

Mr. SHAW. Mr. Speaker, I yield 1 minute to the gentleman from California (Mr. OSE).

Mr. OSE. Mr. Speaker, I rise today in support of H.R. 5. I came to this Congress recently following in the great

footsteps of my colleague, the gentleman from Sacramento, California (Mr. MATSUI), and I want to specifically applaud the fact that after 40 years of Democratic majority here and 6 years of Republican majority, we finally have been able to move a bill out of the House, hopefully on to the Senate, and then to the President for signature.

This particular issue, where we in effect tax the ability of our seniors to contribute to our workforce disproportionately, has needed to be changed since it was first passed in the Depression. There is no argument about that. There is no getting around that fact.

Again, we spent 40 years under the tutelage of one party, and now 6 years we have been at it here. We finally have agreement, and I am happy to be part of this. This is one of the things I campaigned on, to try and get this tax off the backs of our seniors. I welcome my friends on the other side to this. I am very, very pleased to be here with the gentleman from California (Mr. MATSUI) and the gentleman from Florida (Mr. SHAW) in this effort.

Mr. MATSUI. Mr. Speaker, I yield 3 minutes to the gentleman from North Dakota (Mr. POMEROY).

Mr. POMEROY. Mr. Speaker, I thank the gentleman for yielding me time.

Mr. Speaker, I would echo the comments just made by my friend, the gentleman from California (Mr. OSE). It is fun for a change to participate in a debate on a bill that enjoys broad bipartisan support, improving the Social Security program that we have for our seniors.

It is time we lift the earnings limit. We need to do this as part of a multifaceted approach at improving income in retirement years. This approach needs to include other activity by this Congress, activity where hopefully we would come together also in a bipartisan way to strengthen Social Security, making certain that it is going to be there for the long run, and coming together in a bipartisan way to help additional employers offer retirement savings opportunities for their workplace. Presently, only half the workers have retirement savings at work. We need to do better, and there are strategies introduced and supported by Members of both parties to get this done as well.

Finally, we need to come together to add additional savings incentives, targeted specifically at middle-income and lower-income households, so that they might save for retirement.

But back to today's bill. Today's bill really is for those that hit retirement years without enough savings already accrued. Those years, 65 to 70, represent an important last opportunity to get some additional income, even while the Social Security checks start coming, so that they might build that nest egg, to meet their needs, to keep them comfortable as they go on.

Do you know that today someone reaching the age of 65 has an additional 15 years of life expectancy if they are a male, and 19 years if they are a female? Surely there are substantial needs for a retirement nest egg in light of that kind of life-span opportunity. In addition, we know that people reaching the age of 65 today are healthier, more engaged and want to work than ever before; and we ought to give them that opportunity.

Additionally, we know that in light of our strong economy, the needs in the workforce are intense, and this potential source of labor can help employer after employer, right across the country.

In my own State, the State of North Dakota, people over the age of 60 represent 18 percent of our population. Clearly we need their participation. That is important today, but it is only going to grow more important, because this over-60 segment will swell by 60 percent in North Dakota by the year 2025. Quite frankly, I do not know how we will keep our schools going. I do not know how we will keep some of the businesses going if we do not have workers in this age span, 65 to 70, participating if they want to in the workforce without the absolutely ruinous penalty presented by the tax on earnings today.

For every reason I have mentioned, I urge a unanimous vote on this. What a pleasure it is to have this bipartisan achievement.

Mr. SHAW. Mr. Speaker, I yield 1 minute to the gentleman from California (Mr. HORN).

Mr. HORN. Mr. Speaker, today this House of Representatives will take a real step toward tax reform for America's working retirees. By repealing the so-called Social Security earnings test, we are doing away with an outdated law that affects over 800,000 seniors who have been denied the needed income to survive in their golden years.

Created in the Depression to encourage older workers to move out of the job market, the earnings limit is an antiquated solution to a problem that no longer exists. Many of today's seniors want to take part in this economic boom, but are penalized \$1 in Social Security benefits for every \$3 they earn beyond \$17,000. My State of California is hit hardest by the earnings test, affecting over 161,000 seniors. When seniors are denied the opportunity to work and governments are denied income taxes generated by seniors working, we all lose.

Mr. Speaker, I have long believed the outright repeal of this law was the right thing to do, and I am pleased to have an opportunity today to be part of the team that will send the bill to the Senate and the President that lowers the tax burden for so many working retirees.

Mr. MATSUI. Mr. Speaker, I yield 2 minutes to the distinguished gen-

tleman from Michigan (Mr. BONIOR), the Democratic whip.

Mr. BONIOR. Mr. Speaker, first of all let me congratulate my two friends, the gentleman from Florida (Mr. SHAW) and the gentleman from California (Mr. MATSUI), for their fine work in bringing this forward today.

Mr. Speaker, today we have the chance to take action to repeal the Social Security earnings limit, a law so outdated few can remember how it ever got on the books.

What is the Social Security earnings limit? Well, ask any senior and they will tell you the earning limit is a Catch-22 of the Social Security system. It is a law that actually punishes older people for working. In fact, it forces them, literally forces them, to become more dependent on Social Security than they need to be.

Now, why would anybody want a law like that? Well, Mr. Speaker, I do not know any of us who want a law like that, and it is time for a change. That is why we are repealing it today.

Our message for every American, no matter how old, ought to be that if you want a job and you are able to do a job, by God, this government is never going to try to stop you from getting a job.

We are voting to repeal the earnings limit because in this incredible economy, there is more than enough work that needs to be done, and older Americans may be just some of the people who can do it and do it well in a labor market that is struggling for good, competent, qualified people.

We are voting to repeal the earnings limit not only because we believe older people ought to have the right to earn higher incomes, but because they deserve the opportunity to live richer lives, lives made better by the opportunity to join the world of work. But, Mr. Speaker, the truth is that it is not just seniors who win if we repeal this foolish law; we all win. We all win because this Nation needs the experience, the skill and the maturity of older people that they can bring to the American workplace.

Older Americans today are one of this Nation's greatest resources. It is high time we take advantage of it. This is a win-win proposition for America.

Again, I want to congratulate my colleagues for bringing this to the floor.

Mr. SHAW. Mr. Speaker, I yield 1 minute to the gentleman from Florida (Mr. STEARNS).

Mr. STEARNS. Mr. Speaker, I thank the distinguished gentleman for yielding.

Mr. Speaker, back in the 1930s the reason for starting the earnings test the Democrats said it was necessary to allow younger workers to work. Today what we have is a shortage of qualified and experienced workers, so it is very appropriate that we are getting around to enacting this legislation.

I might point out I am glad to see the minority party supports this piece of legislation. For almost 4 decades the Democratic party did not seem to want to initiate and to pass this legislation; and the chairman here, the gentleman from Florida (Mr. SHAW), and others on this side, worked so hard to try and pass this. So this is a great day, to see the folks on the other side of the aisle say let's pass it by unanimous agreement.

There is no good reason, of course. There is no longer a reason for this antiquated law to be on the books. It is discriminatory.

So I support the Senior Citizens' Freedom to Work Act. I am an original cosponsor of it. It is a law we have to be very joyful this afternoon for, because it is a law that is needed.

Mr. Speaker, since the Social Security program was created in 1935, it has always included an earnings test. There have been many efforts through the years to eliminate the earnings test, but none were successful.

Back in the 1930's the reason given for starting the earnings test was to "open up jobs" for younger workers. What we are currently experiencing is a shortage of qualified and experienced workers. The time to act is now.

In 1996 I voted to increase the earnings limit for seniors who chose to continue working. We were able to increase the earnings limit for those aged 65–69 to \$30,000 by the year 2002. At the time this legislation was passed, a working senior who reached \$11,280 in earned income lost \$1 in Social Security for each \$3 earned thereafter. That's a marginal tax rate of 33%! That's a high price to pay for merely wanting to work.

Let's take a look at how the current law affects our nation's seniors who are receiving Social Security benefits and also working. This year beneficiaries aged 65–69 can earn up to \$17,000 without being penalized. They lose one dollar for every three of earnings that exceed this limit.

Beneficiaries aged 62–64, those individuals who retire early, are allowed to earn up to \$10,080 this year without a penalty. They lose one dollar of Social Security benefits for every two dollars they earn above the imposed limit. While the measure we passed in 1996 made vast improvements to the earnings test, our real goal at that time was to repeal the law outright. I believe that we will be successful this time around.

What's wrong with giving elderly workers who either want to work or must work in order to maintain a decent lifestyle the ability to do so. I am proud to be a cosponsor of H.R. 5 that would repeal the Social Security earnings test entirely. I have long been a proponent of repealing this outdated provision and shall continue to support such proposals until we succeed in changing this law.

The earnings test limit is unjust. It treats Social Security benefits less like a pension and more like welfare. It represents a Social Security bias in favor of unearned income over earned income.

It is effectively a mandatory retirement mechanism our country no longer accepts or

needs. It precludes greater flexibility for the elderly worker and also prevents America's full use of eager, experienced and educated elderly workers. Finally, it deprives the U.S. Economy of the additional income tax which would be generated by the elderly workers.

There is no good reason to keep this antiquated and discriminatory law in existence any longer. I support swift passage of the Senior Citizen's Freedom to Work Act and call upon my colleagues on both sides of the aisle to vote for this very important and long overdue change in the law.

Mr. MATSUI. Mr. Speaker, I yield 1 minute to the gentlewoman from California (Mrs. CAPPS).

Mrs. CAPPS. Mr. Speaker, I rise today and join my colleagues in strong support of this legislation, and I commend the leadership of this House, the gentleman from Florida (Mr. SHAW) and the gentleman from California (Mr. MATSUI). It is a good day when we can be so united in a bipartisan way to end an unfair tax on our working seniors.

Mr. Speaker, many seniors work because they need to. They should not be penalized for trying to put food on their table. They should be supported. Seniors in my district have been telling me this is something that they need. Some seniors work because they want to. They should not be penalized for remaining active and involved. These seniors should be supported as well. Our country is the richer for it.

It is time to act in this way. Today we will have, I hope, unanimous support to remove this onerous burden on working seniors and end the earnings limit. I urge my colleagues to support this bill.

Mr. SHAW. Mr. Speaker, I yield 1 minute to the gentleman from Colorado (Mr. HEFLEY).

Mr. HEFLEY. Mr. Speaker, I thank the gentleman for yielding me time.

Mr. Speaker, a few weeks ago this House voted to right a wrong. Most of us agree it is unfair for a married couple to be penalized by the Federal Government just simply because they are married, so we passed legislation to fix that unfairness. Today it is time to fix another long-standing unfairness, the Social Security earnings limit.

Mr. Speaker, it is about time. For too long we have penalized our most experienced workers, created disincentives for them to work, oftentimes when their employers need their expertise the most. No American should be penalized for their desire to work and contribute to the economy and strength of our country, least of all our seniors.

In 1987, my class in Congress, the Republican members of my class, voted to take this on as a project, to try to eliminate the earnings limit. We met with Dan Rostenkowski. I think it was the only time he ever spoke to me, but we met with Dan Rostenkowski, and he said, "No, we won't do it." So over the years we have picked away at it with

the gentleman from Florida (Mr. SHAW) and the gentleman from Texas (Mr. ARCHER) and various ones, and with their help picked away at it and made it better. But today is a chance to get rid of it.

For the sake of simple fairness, it is time for this body to eliminate the earnings limit. I urge my colleagues to support this legislation.

Mr. MATSUI. Mr. Speaker, I yield 2 minutes to the gentleman from Ohio (Mr. TRAFICANT).

Mr. TRAFICANT. Mr. Speaker, Dan Rostenkowski would not do it. He is a Democrat. I am embarrassed by it.

I want to commend the gentleman from Texas (Chairman ARCHER) and the gentleman from Florida (Chairman SHAW). I want to commend the gentleman from New York (Mr. RANGEL) and the gentleman from California (Mr. MATSUI).

But, Mr. Speaker, this is not enough. Everybody is reaching into that Social Security trust fund and they are raiding it. I have a bill and it calls for a constitutional amendment, and it says you cannot touch the Social Security trust fund. It can only be used for Social Security and Medicare. If we pass that, we would have enough money to provide health insurance for every American.

But I want to pay tribute to the Republican Party today. Rostenkowski did not do it, Rostenkowski would not do it, and the gentleman from Texas (Chairman ARCHER) and the gentleman from Florida (Chairman SHAW) did it. But the gentleman from California (Mr. MATSUI) and the gentleman from New York (Mr. RANGEL) deserve a lot of credit for making it happen as well.

Mr. MATSUI. Mr. Speaker, I yield 1½ minutes to the gentlewoman from Texas (Ms. JACKSON-LEE).

□ 1245

Ms. JACKSON-LEE of Texas. Mr. Speaker, I thank the gentleman for yielding time to me.

I would like to add my applause and appreciation to the gentleman from Texas (Chairman ARCHER) and the ranking member, the gentleman from New York (Mr. RANGEL), to the gentleman from Florida (Chairman SHAW), and the ranking member, the gentleman from California (Mr. MATSUI), for their vision.

This bill spells relief. I have spent some time with seniors, most of us do as we visit our senior citizen centers, as we work with seniors in our respective religious communities, as we work with seniors as our neighbors.

I can actually say that the retirement earnings test keeps good talent away from the job market. This legislation will allow thousands of social security recipients to work without a reduction in their benefits, to work in child care, to work in volunteer programs, after-school programs.

In fact, as I visited the Latino Learning Center and their Senior Citizen Center, they were making crafts. Although that is not employment per se, it still might have impacted their income by way of the income being attributable to each individual from the crafts that they made.

The repealing of this will in fact increase work incentives; will put good, strong, valued seniors in the workplace, and will add to the value of what they have already given to the workplace and this Nation. Repealing the RET will not affect social security's finances over the long run, and in particular, repealing the RET will make the social security program easier and less expensive to administer.

This is long overdue. As I have said when I have come to the floor before, this spells relief. It is relief for seniors, for the social security program, for the community where these valuable seniors can be out and about in the work force contributing to this Nation as they have done in the past.

Mr. SHAW. Mr. Speaker, I yield such time as I may consume to the gentleman from California (Mr. GALLEGLY).

Mr. GALLEGLY. Mr. Speaker, I stand in strong support of this legislation. It is a bill we have worked on for many years.

Mr. MATSUI. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I will be very brief. I just again would like to thank Members for the bipartisan atmosphere that occurs on the floor of the House, as it did in subcommittee and in the full committee. The fact that we have moved this bill in an expedited fashion certainly means that we should get it to the President in a timely fashion so that it will become law in the year 2000. Again, this is a much needed change in the social security system.

I might just add, just so there is no misunderstanding, that this will have a \$23 billion revenue loss out of the social security system over the next 10 years. But over the life of the social security system itself, because of the delayed credit, it will have no impact on the solvency of the social security system, so this has no impact on the social security system nor on the Medicare system.

Mr. Speaker, I yield such time as he may consume to the gentleman from New York (Mr. RANGEL), the distinguished ranking Democrat on the Committee on Ways and Means.

Mr. RANGEL. Mr. Speaker, I thank the gentleman from California (Mr. MATSUI) for the way he has handled this, not only on the floor, but certainly, as the ranking member of the subcommittee on Social Security.

It gives me an opportunity to once again congratulate my long and dear friend, the gentleman from Florida (Mr. SHAW), who showed an interest in

Social Security generally, and this type of cooperation between our parties still gives me some ray of hope, no matter how small that glimmer may be, as we move forward on our political calendar, that there are many other things that we can accomplish in working together.

For those people who believe that it is in our best interest to have confrontation and do nothing, I suggest that at the polling places, both Democrats and Republicans may suffer. It seems to me that there have been enough suggestions made by the President that Republicans can pick and choose those that they feel comfortable with, those that they think are in the best interests of the people of this great country, and to be able to work with us to do it.

This is a classic example of the leadership of the chairman and the subcommittee chairman, in working with us so that we can get things done. I laud the Members for this effort, and I look forward to working with them on other issues that remain within the budget, as this has, that do not invite and encourage a veto, but those things that we know that we can work out our differences on, not only on both sides of the aisle but also on Pennsylvania Avenue.

Mr. MATSUI. Mr. Speaker, I yield back the balance of my time.

Mr. SHAW. Mr. Speaker, I yield myself the balance of the time.

Mr. Speaker, I would like to make an observation which I think is something that all of us have sort of made reference to, but not particularly in this regard. Some who are looking on today, tuning in on C-Span, probably think they have the wrong channel.

This has been, I think, a real landmark in what we can accomplish in this Congress by working together.

My good friend, the gentleman from New York (Mr. RANGEL), and we use that phrase a little flip around here, because when we refer to someone as our good friend, that is about the time we are about to drop a hammer on them, but we are good friends. We are very good friends. We have been for many years, as I am with the gentleman from California (Mr. MATSUI).

The gentleman from Texas (Mr. ARCHER) I think has been an incredible chairman of the Committee on Ways and Means, and we have brought things together that have made a real difference, and we do come together on things that we can politically agree upon.

There should be no disagreement in this country, no disagreement, that people who work their entire working lives, when they reach retirement age, just simply because they have to work beyond that or just simply want to work beyond that, that they should not be penalized. We agree on that. We ought to constantly look out and reach

out for things that we agree upon, because it is so important to such an important segment of our population. It is so important.

So this bill is going to pass. I am going to ask for a recorded vote, because I want all the Members to have the opportunity to step forward on the Democrat and the Republican side and cast their vote, a recorded vote, to say they are in favor of American seniors. They are working with us, and we are working together to make a better life for the senior citizens of the country.

This bill takes effect on January 1 of the year 2000. That means exactly 2 months ago this bill comes into effect. The senior citizens of this country will enjoy the fruits and labor of what we have started here today.

I am pleased to say that the President is with us. Yesterday, while we were marking this bill up in the Committee on Ways and Means, the President was in Miami Beach doing a fundraiser for my opponent at a cocktail party. In fact, I thought it was rather ironic, because it was taking place at the exact time we were voting on this bill.

That is the way the system works. There is nothing wrong with that. There is nothing wrong with Democrat presidents supporting Democrat candidates and Republican presidents supporting Republican candidates.

I will tell the Members that I would certainly guess, and as tradition has it, just as we did in welfare reform and other pieces of meaningful legislation that has come out of this Congress, that the President will invite the Republicans down to take part in the bill's signing. That is the way it should be.

So many people here can take credit for what is going on here today. I am very pleased and proud that it happens during the Republican majority, but we have come together. We have locked away the Social Security surplus so we are no longer spending it. This makes America's great pension program available for the seniors without penalty.

This is a wonderful thing that has happened. This country has gone through a great transition, and when it comes to working together to make things happen, the best of us comes out when we work together.

I want to publicly thank the gentleman from New York (Mr. RANGEL) and the gentleman from California (Mr. MATSUI), and of course, my chairman, the gentleman from Texas (Mr. ARCHER), and the gentleman from Texas (Mr. SAM JOHNSON) and the gentleman from Minnesota (Mr. PETERSON) for the work that they did in bringing this thing together. This is truly a bipartisan effort. It is truly in the best tradition of the American democracy.

Mr. PAUL. Mr. Speaker, I am pleased to offer my support to the Senior Citizens Freedom to Work Act (H.R. 5), which repeals the

Social Security "earnings limitations." During a time when an increasing number of senior citizens are able to enjoy productive lives well past retirement age and businesses are in desperate need of experienced workers, it makes no sense to punish seniors for working. Yet the federal government does just that by deducting a portion of seniors' monthly Social Security check should they continue to work and earn income above an arbitrary government-set level.

When the government takes money every month from people's paychecks for the Social Security Trust Fund, it promises retirees that the money will be there for them when they retire. The government should keep that promise and not reduce benefits simply because a senior chooses to work.

Furthermore, Mr. Speaker, by providing a disincentive to remaining in the workforce, the earnings limitation deprives the American economy of the benefits of senior citizens who wish to continue working but are discouraged from doing so by fear of losing part of their Social Security benefits. The federal government should not discourage any citizen from seeking or holding productive employment.

The underlying issue of the earnings limitation goes back to the fact that money from the trust fund is routinely spent for things other than paying pensions to beneficiaries. This is why the first bill I introduced in the 106th Congress was the Social Security Preservation Act (H.R. 219), which forbids Congress from spending Social Security funds on anything other than paying Social Security pensions.

In conclusion, Mr. Speaker, I wish to reiterate my strong support for the Senior Citizens Freedom to Work Act. Repealing the "earnings limitation" will help ensure that America's seniors can continue to enjoy fulfilling and productive lives in their "golden years." I also urge my colleagues to protect the integrity of the Social Security Trust Fund by cosponsoring the Social Security Preservation Act (H.R. 219).

Mr. BENTSEN. Mr. Speaker, I want to express my strong support for H.R. 5, The Senior Citizens' Freedom to Work Act of 1999. This long overdue measure would allow persons aged 65 through 69 to continue working without losing some of their Social Security benefits.

Today, our seniors are more healthy and vigorous than ever. Many seniors who choose to continue to work find that working greatly enhances their retirement years. They are living longer and often finding that they either need or want to work well beyond traditional retirement age. Further, the time has come to stop penalizing seniors who need to keep working to supplement their Social Security incomes.

This legislation, which I cosponsored, would do away with this antiquated and obsolete punitive limit to Social Security payments. Under current law, senior citizens in this age group lose \$1 in Social Security benefits for every \$3 they earn each year above a certain level, which is \$17,000 this year. The earnings test was designed during the Great Depression to encourage older workers to leave the workforce to create more jobs for younger workers. Today, we are experiencing a labor shortage, not a surplus. With our economy's emphasis

on increased productivity, older workers have the years of experience and work ethic that are in great demand.

It is estimated that initially about 600,000 seniors would be affected by the elimination of the earnings test. According to the Social Security Administration, H.R. 5 will increase Social Security outlays by \$17 billion over 5 years and \$26 billion over 10 years. However, in the long term, the measure's cost would be negligible because of offsetting effects because retirees would no longer receive delayed retirement credits, which under current law compensate for the benefits lost to the earnings test applied to workers above the full retirement age, and the savings from this would offset the cost from eliminating the earnings test.

Lifting the limit on outside income for beneficiaries of retirement security is a key component of my initiatives to extend the life of Social Security and Medicare. H.R. 5 is crucial as part of a broader plan that uses the opportunity of a surplus to extend the life of Social Security and Medicare and pay down the debt.

In 1998, the Republican leadership brought an increase in the earnings limit to the floor attached to a tax bill that would have been financed by borrowing directly from the Social Security Trust Fund. I opposed this bill funded by the Social Security surplus, and supported an alternative that provided for an increase in the Social Security earnings limit identical to the one in the Republican bill, but not from the Social Security surplus. Unfortunately, the bill failed to be enacted.

H.R. 5 builds upon a bipartisan measure enacted in 1996 which I supported, the Senior Citizens' Right to Work Act (H.R. 3136), which provided for increases in the amounts of allowable earnings under the Social Security earnings limit for individuals who have attained retirement age. Now we are going a step further and eliminating the cap altogether. This is the right policy at the right time.

The earnings test is a relic of the Great Depression and the time has come to terminate it. The test is a severe disincentive for older people to work. Not only do older workers suffer a reduction in their standard of living because of the test, the nation's economy loses valuable experience and skills as well.

Mr. EVANS. Mr. Speaker, I rise today in support of H.R. 5, the Senior Citizens' Freedom to Work Act.

This important legislation is long overdue. The earnings limit is a relic of an era when America was in a state of extreme economic despair. Mr. Speaker, today we are experiencing unprecedented prosperity. Our economy is booming. Our unemployment rate is lower than it has been in 30 years. It just doesn't make sense to discourage our nation's seniors from continuing to contribute to our economy by reducing their Social Security benefits.

Many of the seniors in my home state of Illinois continue to contribute to their communities through hard work. Repealing the earnings limit will have a very real impact on these seniors. Instead of being punished for their participation in the workforce, seniors should be encouraged to remain working. Eliminating the earnings test makes sense. It will be good for our seniors and good for our economy.

And most importantly, we can do it without jeopardizing the future of Social Security. It is something that all of us, on both sides of the aisle, should be able to agree on.

But, once again, Republicans are playing politics with the issues that affect our nation's seniors the most. They are clamoring to point fingers at Democrats who have long been in support of amending the archaic earnings limit. But our nation's seniors cannot be fooled. Democrats support repealing the earnings limit while protecting the integrity of Social Security.

In the 105th Congress, the Republicans brought an increase of the earnings limits to the floor but attached it to a risky tax cut package that would have put Social Security in severe jeopardy. Democrats strongly opposed that bill and offered a measure to raise the earnings limit and make the remaining tax cuts contingent on protecting the solvency of Social Security. This Democratic alternative was a responsible tax cut package that did not raid the Social Security Trust Fund. Not one Republican voted for this measure. This is just one of many cases that demonstrates who is on the side of seniors in this fight.

We must stop the finger pointing and come together to protect Social Security for generations to come. This is not the time for politics as usual. The livelihood of our nation's senior citizens is at stake.

Mr. MOORE. Mr. Speaker, I rise today in strong support of H.R. 5, the Senior Citizens' Freedom to Work Act of 2000.

Under current law, over 8,000 Kansas seniors lose some or all of their Social Security benefits due to the Social Security earnings limit because they choose to continue to work. Seniors aged 65 to 69 have \$1 of their benefits reduced for every \$3 they earn over the current earnings limit of \$17,000. Simply, current law penalizes seniors for working. I do not believe it is fair to punish those seniors who want or need to participate in the workforce by having this disincentive to work.

Eliminating the earnings limit is not only fair for working seniors, it will improve the quality and efficiency of Social Security since the program will be easier and less expensive to administer. Furthermore, repealing the Social Security earnings limit is fiscally responsible. While the bill would increase Social Security spending by \$22.7 billion over the next 10 years, the resulting lower long-term benefit payments will more than offset the costs.

Mr. Speaker, by allowing seniors who want to work to retain their benefits, Congress will take an important step towards strengthening retirement security for all seniors. This step, however, should not be our last. I urge my colleagues to begin working with me, in the same bipartisan manner that we worked on today's bill, to put Social Security on a firm financial footing for future generations. We need to build on today's success by dedicating a substantial portion of the budget surplus to pay down debt and strengthen Social Security and Medicare.

I urge my colleagues to support H.R. 5 and to join me in the larger challenge of strengthening Social Security and Medicare for our seniors and for generations of future retirees.

Mr. DELAHUNT. Mr. Speaker, today, we take an important step forward in addressing

a Social Security inequity that is an injustice to working seniors. Under the Social Security Earnings Limit, beneficiaries aged 65–69 can earn up to \$17,000 a year—but for every \$3 earned over this amount \$1 of benefits is lost.

The cap has always been one of the most unpopular parts of the Social Security program—and for good reason. It penalizes older people for working—and deprives the nation of the talent of working seniors. It's time to get rid of it, once and for all.

The earnings cap is a relic of the Great Depression, when concern over massive joblessness led to a perception that retirees should be discouraged from rejoining the workforce. Today, people are living longer and working longer—and are as entitled as the rest of us to fair wages for their labor.

At a time when unemployment is at a 30-year low and we face acute labor shortages, this Depression-era work disincentive for seniors no longer makes sense.

Older Americans possess enormous talent and experience. It boggles the mind why we'd want to maintain disincentives for them to work. The earnings test not only erodes seniors' standards of living, but also costs the nation valuable skills in the workforce, as well as tax revenue generated by this income.

Retirees who receive income from other sources such as pensions or capital gains do not have any benefits reduced. Why should income from pensions or investments be treated more favorably than earned income?

I received a letter last summer from a retiree from my home town—Quincy, Massachusetts. He wrote: "I would like to retire with dignity and only want what I deserve. I feel that with your support of this bill, it would enable me to live without worries of finances and diminish the concerns of my family."

That is what this legislation is all about—simply giving seniors what they deserve.

While this is a step in the right direction, seniors deserve more—and we could and should be doing more—much more.

During Committee deliberations on this legislation last night, an amendment was offered to restore some of the benefits that are reduced due to the Government Pension Offset. This provision would have made widow's benefits more fair, and helped reduce the high rates of poverty that especially face elderly women.

Unfortunately, the Chairman passed on this opportunity—even though the Social Security Administration stated that the costs of adding this provision would be negligible.

Mr. Speaker, removing the earnings limit is progress—but is this all that we are going to do for seniors this year?

Are we going to address other inequities in the Social Security system—like the government pension offset, windfall reductions, dual entitlement provisions—or even the long-term solvency of the program?

Will we finally reauthorize the Older American Act?

Will we enact a Medicare prescription drug benefit?

Our senior citizens deserve more—much more. Passing this bill is the very least we can do. I urge my colleagues to support this legislation—and invite you to join me in efforts to ensure retirement security for all older Americans.

Mr. SMITH of Texas. Mr. Speaker, I rise to support H.R. 5, the "Senior Citizens' Freedom to Work Act."

For years my constituents have raised concerns about unfair Social Security earnings limit. Finally, the House is going to eliminate this unfair penalty.

Whenever a working retiree earns more than \$17,000 per year, they lose \$1 of Social Security benefits for every \$3 they earn above the limit. We penalize senior citizens who want to continue to participate in the work force.

There are 800,000 senior citizens who lose part or all of the Social Security benefits they've worked hard for because they earn "too much" money in retirement.

The Social Security earnings limit was created during the Great Depression and it punishes senior citizens for their work ethic and desire to be self-reliant in their "golden years."

Today unemployment is at an all-time low. The experience and skills developed by older workers during a lifetime in the workplace are being recognized and are in demand.

Social Security recipients are entitled to their benefits because they earned them during a lifetime of hard work. The government should not take those benefits away because individuals want to work. That's why I strongly support the passage of H.R. 5 today.

Ms. JACKSON-LEE of Texas. Mr. Speaker, today I rise in support of the Senior Citizens' Freedom to Work Act (H.R. 5). The Social Security earnings limit discourages those on retirement from remaining in the work force and contributing to the country's economic growth. Due to the longer life-spans and the improved quality of health among retirees, the advent of an aging society, and decreasing work force growth numbers, it is imperative that we explore better ways to tap the valuable and often underutilized resources of older Americans.

Due to the retirement earnings test, Social Security beneficiaries who have attained the normal retirement age (presently age 65) have their benefits reduced by \$1 for every \$3 that they earn in excess of \$17,000. Similarly, Social Security beneficiaries between age 62 and the normal retirement age have their benefits reduced by \$1 for every \$2 that they earn in excess of \$10,800. Although both groups of beneficiaries receive benefit increases once they stop working in order to compensate for reductions while they were working, there are a number of good reasons to support repealing the earnings test for beneficiaries who have reached the normal retirement age.

Repealing the retirement earnings test will allow thousands of Social Security recipients to work without a reduction in their benefits. The Social Security Administration estimates that, in 1999, 793,000 beneficiaries aged 65 through 69 had some or all of their benefits withheld because of the retirement earnings test.

Repealing the retirement earnings test may create positive work incentives. Because many Social Security beneficiaries are unaware that the benefit reductions they experience when they are working are offset by benefit increases once they stop working, they may perceive the retirement earnings test as a tax. In response, they may reduce the number of hours they work or they may decide to leave the labor force altogether.

The most recent economic research indicates that repealing the retirement earnings test for beneficiaries between the normal retirement age and age 69 may encourage work. In a 1998 study, Leora Friedberg, an economist at the University of California, San Diego, found that repealing the retirement earnings test for those beneficiaries would increase their labor supply by about five percent.

Repealing the retirement earnings test will not affect Social Security's finances over the long run. Repealing the RET for beneficiaries who have reached the normal retirement age would not change (for better or for worse) Social Security's currently projected long-range financing shortfall. Repealing the retirement earnings test for beneficiaries above the normal retirement age has a significant short-run cost (\$22.7 billion over the next 10 years), but, over the long run, that cost is offset by lower benefit payments.

Again, under current law, workers who have their benefits reduced due to the retirement earnings test receive an actuarial adjustment that increases their benefits once they stop working. Repealing the retirement earnings test would mean that such workers would no longer receive that actuarial adjustment and that benefit payments would be lower.

Repealing the retirement earnings test will make the Social Security program easier and less expensive to administer. The Social Security Administration estimates that the cost of administering the earnings test in 1999 ranged from \$100 to \$150 million.

Since those costs include administering the earnings test for workers between age 62 and the normal retirement age, repealing the retirement earnings test for workers above the normal retirement age would save less than that amount.)

In addition, Social Security Administration estimates that it overpaid \$787 million in benefits due to the retirement earnings test in 1997. Payments to beneficiaries aged 65 through 69 accounted for 63 percent of retirement earnings test related overpayments in 1998.

If older Americans have the capacity to earn more money without penalty, there will be a greater incentive for them to work. Working older Americans contribute additional money to the economy and provide more revenue for the treasury. Furthermore, with advances in medical technology older Americans will remain healthy longer and live longer productive lives.

I join with my Democratic colleagues and strongly support eliminating the retirement earnings test that penalizes and discourages workers age 65 through 69 from remaining in the workforce and contributing to our prosperous economy.

Mr. WELDON of Florida. Mr. Speaker, later today, the House of Representatives will pass H.R. 5, the Senior Citizens' Freedom to Work Act. This Act will eliminate the current tax law which penalizes senior citizens between 65-69 who continue to work. The Senior Citizens Earnings Test taxes senior citizens up to 33 percent of a senior's Social Security benefits.

One of the most egregious elements of our tax code is the continued over-taxing of American senior citizens who want to continue

working. Repealing this tax on working seniors was the first bill I cosponsored when I was sworn into office in 1995, and, finally, I think we see light at the end of this tunnel. I would like to thank Speaker HASTERT for his leadership on this issue for more than a decade.

This Social Security Earnings Test has two adverse effects: it discourages seniors from working and for those who do work, it takes away a portion of the Social Security benefits they have earned. With today's labor shortage, this policy is greatly outdated and needs changing.

The Senior Citizens earnings tax penalty takes \$1 of working seniors' Social Security benefits for every \$3 they earn over a federal imposed income limit. Seniors earning more than \$17,000 are subject to the earnings tax. In 1999 there were over 4 million working senior citizens, at least 800,000 of them lost some of their Social Security benefits because of the earnings test. By repealing this tax penalty, the ten year benefit to senior citizens would be about \$23 billion. Seniors can use this extra money for helping with their grandchildren's education, a trip to visit their family or other loved ones, a car, medical expenses, and prescription drugs.

Republicans have ended 40 years of raiding the Social Security Trust Fund to fund pet projects by tax and spend politicians. Repealing this seniors' tax builds on that commitment to senior citizens by making sure they get the benefits they have worked for, even if they choose to continue working. In Florida, over 80,000 seniors could be able to take advantage of this tax fairness package. This bill ensure that they get the money they have earned as well as the Social Security benefits they deserve.

A similar bill introduced in 1998 as part of the plan to abolish the Social Security earnings limit only received support from 19 House Democrats. This year the President has indicated his willingness to sign such a bill, but he did not include it in his recently submitted FY 2001 budget. The measure enjoys support from such groups as AARP, United Seniors Association, and the 60 Plus Association. Let's do the right thing and pass this bill.

Mr. WATTS of Oklahoma. Mr. Speaker, millions of older Americans are penalized every year simply because they set their alarm clocks to get up early in the morning, get dressed and head off to work. But unlike the rest of us who pull into rush hour traffic in the morning, that 65 year old in the car next to yours is paying the government a fee to go to work that day. That fee is called the Social Security Earnings Limitation.

My colleagues, today we can eliminate that fee and undo that injustice. Today we can begin to give America's senior citizens equal treatment under the nation's tax laws. Today we can guarantee that those senior Americans who want to continue to work—and can continue to work—today we can guarantee that they won't be penalized for making that contribution to their families, to their communities and to society in general.

By allowing older Americans the opportunity to stay in the workforce without penalty, we are allowing them to supplement their incomes, we are helping them to stay healthier, and we are giving them the opportunity to add

to their later retirement. This is especially important as we see more and more Americans living into the eighties, their nineties and even into their hundreds.

So I encourage my colleagues today to give their older neighbors a fair break. Vote for the Senior Citizens' Freedom to Work Act.

Mr. BALLENGER. Mr. Speaker, I am pleased that another popular tax relief proposal, the Senior Citizens' Freedom to Work Act, is coming up for a vote today. First, let me point out that the debate over H.R. 5 should contain no rhetoric that this repeal of the Social Security earnings limit will break the bank. The Social Security actuaries have confirmed that repeal of the earnings limit maintains the current projected solvency of the Social Security Trust Fund.

The repeal of the Social Security earnings limit for individuals who have attained the full retirement age has been a very high priority of mine and for my Republican colleagues elected to the House in 1986. Although we were able a few years ago to secure a gradual increase in the earnings limit for seniors who were 65 to 69 years old, the complete repeal of the earnings limit for this group is a big victory. I am pleased that so many senior citizens' groups have joined us in this fight, and I welcome President Clinton's announced support for this repeal as well.

The Social Security earnings limit is a relic of the Great Depression when it was necessary to entice older workers to leave the work force, making more jobs available to younger workers. Today, many businesses and communities face a serious worker shortage. My congressional district has an especially low rate of unemployment now: a meager 1.6 percent. This means that opportunities for older workers abound, providing earning potential and related benefits to the seniors willing and physically able to meet the challenge. Further, I am pleased that H.R. 5 provides immediate relief by covering income earned after December 31, 1999.

For those in the 10th Congressional District and elsewhere who do not know me well, I am proud to report that I am a working senior. Too old now to benefit from this change in the tax code, I nevertheless enjoy a higher quality of life—and perhaps better health—which comes with being more active. In addition, I feel that my many years of experience add to my job performance as a long work history does for so many seniors.

Again, let me say that I appreciate the support of our colleagues in getting this repeal bill before the House today. Our Nation's seniors deserve this extra incentive to remain productive in their later years and our work force needs them.

Mr. BUYER. Mr. Speaker, I rise in strong support of H.R. 5, the Senior Citizens Freedom to Work Act. I have long supported repeal of this onerous, burdensome rule on this nation's working seniors.

The earnings limit penalty requires seniors age 65 to 69 who earn over \$17,000 to forfeit 33% of their Social Security benefits. Seniors with golden parachutes or extensive investments do not face such a penalty . . . only those who get up every morning, head off to work, and make valuable contributions to our labor force. This is unfair.

As a relic of the Great Depression, Congress is overdue to reform this antiquated law. The earnings limit is a great disincentive to seniors to remain in the workforce if they so choose. In reality, it is the imposition of a high marginal tax rate on productive seniors in the workforce, who are also paying federal and state income taxes, and Social Security payroll taxes.

I'm pleased to see this legislation come to the floor in a bipartisan fashion. I'm pleased the President has indicated he will sign it. I look forward to lifting this burden from working seniors.

Mr. HOEKSTRA. Mr. Speaker, today we are considering very important legislation which will eliminate one of the most unfair tax burdens ever placed on Americans and give our senior citizens the freedom to work.

The high tax rate on the earnings of older Americans has created a significant roadblock at a time when workforce participation by these individuals is extremely important to the continuing growth of the U.S. economy. Economists and Federal Reserve Board officials, including Chairman Alan Greenspan, have expressed concern that the shrinking pool of available workers cannot satisfy the surging quantity of goods and services demanded by the American people and people around the world.

I have heard a number of stories, some during a hearing I held as Chairman of the Oversight Subcommittee for the Education & Workforce Committee, and others more recently during town hall meetings I held last week in West Michigan. In each case the message was the same: the current system discourages older Americans from re-entering or continuing in the workforce. We need to keep these individuals in the workforce and the repeal of the earnings limit will be an essential step in encouraging their participation.

Mr. Speaker, I should also note that as seniors and others enter the workforce, there is one thing they do not know—the true costs of Social Security and Medicare. Currently, an employee's W-2 lists his or hers withholdings for Social Security and Medicare. What the employees don't know, is how much their employer also pays for these programs. This is another unfairness we need to correct by passing the Right To Know National Payroll Act, which would require the employers share of Social Security and Medicare taxes to be disclosed on each employee's annual W-2. American workers have a right to know the true costs of Social Security and Medicare.

Mr. CROWLEY. Mr. Speaker, today, we are witnessing the best of Congress as Members of different ideologies and political parties come together for the benefit of the American people.

Today, the House of Representatives will pass the Senior Citizens Freedom to Work Act (H.R. 5) which will repeal the Depression-era earnings limit imposed on Social Security recipients between the ages of 65 and 69 who decide to supplement their retirement income by working. Under current law, seniors who work lose \$1 of their Social Security benefits for every \$3 they earn outside earned income beyond \$17,000 a year.

In the real world, this outdated law has adversely affected several thousand of my con-

stituents in Queens and the Bronx. A number of seniors in my district have gotten part-time jobs to supplement their income so as to improve their quality of life, offset some of their expenses such as the high costs of their prescription drugs and remain active.

Unfortunately, once many of these seniors recognize how much they are losing in their Social Security benefits by working, they quit their jobs.

I believe it is both foolish and counterproductive to punish working people.

This legislation will assist people like Mr. Christopher Christie, a constituent of mine from the Bronx, New York. He was punished by the earning limit. After he retired, he spent several weeks working in a small business she operated and as a doorman on Park Avenue. He saw his Social Security check garnished monthly because of his outside jobs.

Therefore, I am pleased that the House is debating this legislation to repeal the earnings limit and allow our seniors the freedom to work and attain some financial independence.

This bill represents a solid first step in improving the quality of life of America's seniors. I hope that Congress will now address the other issues of importance to seniors, such as the inclusion of prescription drug coverage under Medicare.

Mr. ORTIZ. Mr. Speaker, I rise today to support the bill H.R. 5, The Senior Citizens Freedom to Work act.

Under current law, seniors who claim Social Security benefits before they reach 69 are subject to a reduction in benefits if they continue to work. For seniors 65 to 69, benefits are reduced by \$1 for every \$3 that their earnings exceed the limit, which was \$17,000 in 2000, and which rises to \$30,000 in 2002 and is indexed after that. This bill would repeal these limits entirely, effective immediately.

The earnings limit originated in the 1930's and has remained in effect because Congress never changed it, despite the vast changes in the economy and the lives of senior citizens that have taken place in the last 60 years.

Nearly 50,000 senior citizens in Texas are currently being penalized for working, a prospect that does not bode well for the economic circumstances for those in the twilight of their lives. We should not punish senior citizens for participating in the workforce; we should reward that. People remain healthy and vigorous much longer than they did in the 1930's.

It makes sense to repeal this obsolete and punitive limit. I have supported raising the limit in past years and support repealing it now. Today's legislation is important to consider as part of a broader plan to use the surplus to extend the life of Social Security and Medicare and pay down the debt.

Today, we can take the first step towards strengthening retirement security for all seniors. But this step was just the very beginning of what we must do in order to put Social Security on a firm financial footing well into the 21st century. I hope the House of Representatives, which showed such passion today when talking about removing the earnings limit will show the same kind of passion over the next few months as we debate the proper use of the surplus. We must use the budget surplus to strengthen Social Security and Medicare.

Ms. KILPATRICK. Mr. Speaker, I rise today in strong and stringent support of H.R. 5, the

Senior Citizens' Freedom to Work Act. Current law limits the income of retirees ages 65 to 69 to \$17,000. Social Security benefits are reduced one dollar for every three dollars earned above \$17,000. Social Security Administration statistics show that nearly "690,000 beneficiaries between 65 and 69 lose some or all of their benefits because of excess earnings resulting from their work." This bill, which repeals the earnings limits imposed under Social Security on our nation's working senior citizens, is a welcomed measure which will allow our seniors to continue to contribute to our growing economy.

The earnings limit is an outdated relic of the depression era Social Security program. It was instituted based on a policy that addressed a problem of that time; however, times have changed. Then, our nation was worried about moving seniors out of the work force to make room for the growing number of younger workers. Now, labor statistics indicate that as our nation's population ages, there will be a shortage of workers available to meet our future labor needs. H.R. 5 is needed to provide incentive to seniors to help supplement the nation's future need for workers.

Past Social Security policy overlooked the valuable assets that senior citizens bring to our nation's workforce. Seniors have a wealth of wisdom and experience to offer the workforce. Most enjoy bestowing the benefit of their experience and wisdom on younger workers and generally offer their knowledge for reasons other than the sheer pursuit of wealth. Seniors tend to exemplify the attributes of hard-work, punctuality and patience. In this time of instant gratification, I can think of no better teachers of the value of a work ethic which developed over time can be passed on to future generations. Seniors have much to offer and this bill will make it easier for the workforce to receive the benefit of their wisdom and experience.

Seniors have worked long and hard to earn and they should not be deprived of the fruits of their labor. Today, seniors are living longer and healthier lives and they are more fit and willing than ever to contribute to our nation's workforce. Many view working as a necessary part of their well-being and quality of life. As a society we should not handicap the lifestyle of those who choose to work into their silver years. H.R. 5 reconciles past policy that punished seniors by forcing them to sit on the sidelines of the workforce.

There are also many seniors who have no choice but to work. Skyrocketing, pharmaceutical prices have left seniors struggling to meet the financial burden of much needed medicine. Every year we listen to the stories of seniors who die in their home due to their inability to meet the heating or air-conditioning costs. How can we continue to penalize them for their necessary efforts to meet those costs?

Unfortunately, many of the seniors who need to work most are our nation's women, who outlive their male spouse 75% of the time. Indeed, "103,000 dependent and spousal beneficiaries are affected by the limit." Widowed women often are forced to reenter the work force in order to meet their basic needs. They should not be forced to lose some or all of their retirement benefits, while striving to secure the simple necessities of living.

While I support and applaud this effort on behalf of our nation's seniors, I would be remiss not to mention the continued problem facing Social Security. Ensuring the future solvency of the Social Security Trust Fund is a problem this Congress still must address. It is my hope that H.R. 5, is simply a stepping stone along the path of addressing a problem that is not going to go away. I urge the leadership of this House to bring forth legislation that seeks to make the tough decisions necessary to address the solvency of the Social Security Trust Fund before we are faced with even tougher more painful decisions.

Mr. COX. Mr. Speaker, I would like to thank the Speaker of the House, the gentleman from Illinois (Mr. HASTERT), for his long commitment to repealing the punitive tax on seniors. One of the first bills I sponsored way back in 1989, during my first year in Congress, was DENNY HASTERT's "Older Americans' Freedom to Work Act." I'm delighted that we are finally moving forward with this historic legislation. It is long overdue.

I recently pointed out, while arguing for repeal of the marriage penalty tax, that in America you should not be discriminated against by our tax code solely because of your status. We have civil rights laws in America to make sure that each of us is protected against unfair treatment by our government. Yet, just as the marriage penalty discriminates against people who are married, the earnings test discriminates against people over 65 who choose to stay productive.

This costly and regressive tax forces many seniors from the job market. Whereas 50 years ago 47% of men over 65 were employed in the labor force, today it is only 16.5%.

A senior who chooses to work after the retirement age of 65 faces a tax burden that amounts to government confiscation. A senior who chooses to work loses \$1 in Social Security benefits for every \$3 in wages and salaries he or she earns over \$17,000. Yet \$17,000 is close to the official U.S. government poverty level for working families. When one adds the burdens of income and payroll taxes, this amounts to a marginal tax rate on working seniors as high as 80%—higher than the rate for billionaires.

The government should not penalize working seniors by canceling their Social Security benefits. These benefits are not welfare; they have been earned over a lifetime of hard work.

Repeal of the earnings test is also another important step toward ensuring that Social Security is always there for seniors. I am hopeful we can bring the same bipartisan support we have today to the upcoming debate on supplementing Social Security benefits through personal retirement accounts.

The Clinton-Gore administration has had eight years to repeal this discriminatory burden on seniors. The Democratic Congress has 40 years to do it. Not only did they fail to do so, they raised taxes on working seniors. The 1993 Clinton tax increase included a 70% increase in income taxes on Social Security benefits, for seniors earning as little as \$34,000.

In 1996, for the first time ever, the new Republican majority in Congress provided relief

to seniors by reducing the Social Security earnings penalty. The new law more than doubled the amount a senior citizen could earn without losing his or her Social Security benefits, from \$11,280 to \$30,000 in 2002. This change has already had a positive effect: the number of senior citizens choosing to remain in the labor force has increased by 7%. Today's long-overdue step—passage of H.R. 5 to completely repeal the unfair earnings test—finally finishes the job Congress started in 1996, and that Speaker HASTERT started more than a decade ago.

Mr. SMITH of Michigan. Mr. Speaker, I am proud to stand with members of Congress who have introduced bills that advocate comprehensive reform of Social Security. We understand the immensity of the challenge facing the country as baby boomers retire, how demographics result in a huge responsibility for future generations, and the importance of preparing Social Security for the future. You will find repeal in the Social Security Solvency Act for 2000, which I introduced in November. Bills that I introduced this year and last year, including the Social Security Solvency Act for 2000, included elimination of the earnings limit, plus another provision that I consider to be the counterbalance to the earnings test—accelerating the increase in the "delayed retirement credit" or DRC.

If a worker decides to continue working after 65 and defer his monthly benefit, the DRC increases the size of his monthly check he will ultimately receive from Social Security. A worker who turns 65 this year will see his benefits increase 6 percent for every year he defers his benefit. Current law allows a worker to delay retirement for up to five years, working until he reaches 70. If that retiree's monthly benefit was \$1,000 when he turned 65, it will be \$1,300 if he puts off receiving a Social Security check until he's 70—that's an extra \$3,600 a year. However, if that worker enjoys an average length of retirement, this delay puts him at a disadvantage. He should be receiving an extra \$4,800 a year, not \$3,600.

Under current law, the DRC is set to rise to 8 percent in 2008. This is the amount that Social Security considers to be "actuarially sound." That means that a retiree who delays receiving his benefit is getting proper compensation in the future for the money he does not get today. As we eliminate the earnings limit, it is reasonable to include an increase in the DRC. Retirees deserve a fair deal today—not in 2008. Now that we are taking away the earnings limit that discourages senior citizens from working, we should accelerate the DRC and encourage them to "save" so they have a higher benefit during the years they no longer have outside earnings. The accelerated DRC will encourage people to work as long as they choose. The Social Security actuaries have examined my proposal to accelerate the DRC, and they say it is actuarially sound. It doesn't cost taxpayers or weaken the Social Security trust fund.

There are three reasons to accelerate the DRC:

1. Fairness—Give workers who choose to delay receiving their Social Security benefit an increase that is consistent with actuarial assumptions.

2. Choice—Give senior citizens more options to manage their retirement—they choose

when they retire and when they should apply for benefits.

3. To Fight Poverty—Give a higher survivor benefit to widows whose spouses took benefits based on the DRC.

When I learned of the Ways and Means markup of H.R. 5, I approached Representative SHAW and Representative ARCHER, and presented my amendment to accelerate the DRC. After careful consideration by the Social Security subcommittee, I received agreement to add this amendment. Gene Sperling called me on the evening of Feb. 28 to tell me that the President had agreed to support it, and the minority gave their consent on Tuesday.

This amendment is too important to be stalled by politics. I will continue to fight for its inclusion, and I remain optimistic that I will see the DRC acceleration language in the bill that President Clinton finally signs into law.

Ms. DELAURO. Mr. Speaker, I rise in support of bringing relief to thousands of seniors who are unfairly punished by the Social Security earnings penalty. For too many seniors, working after they turn 65 isn't an option—it is a necessity. They can ill afford a smaller Social Security check each month. We should fix this inequity and do what is fair and right for our seniors. They deserve nothing less.

Last week, I met with a group of working seniors in West Haven, Connecticut. One was Mary Grabowski. Mary recently retired, but she quickly realized she had to continue to work after she turned 65 because she simply couldn't afford not to. It wasn't a choice. It wasn't so she could make a little extra money on the side. It was about being able to pay her bills.

I also listened to the story of Estelle Stuart. Estelle is also a recent retiree who came to realize that Social Security simply isn't going to be enough for her to get by. In particular, Estelle is forced to work in order to pay for the prescription drugs she desperate needs.

Mary Grabowski, Estelle Stuart, and the thousands of other seniors like them who must continue to work after 65, are perfect examples of why the earnings penalty is wrong and why we need to end it. I want to thank both of them for sharing their story with me.

Ending the earnings penalty today is a good start. It's important to thousands of seniors. But tomorrow, let's get to work and pass a responsible plan that will strengthen Social Security and Medicare, and provide our seniors with a prescription drug benefit. It is a plan that honors our seniors and protects our values. We've taken a positive first step today. Let's get to work and finish the job.

Mr. FRELINGHUYSEN. Mr. Speaker, the second session of the 106th Congress has been off to a quick start passing landmark legislation that directly impacts millions of Americans and improves our quality of life.

First, we repealed the Marriage Penalty Tax, and today, we will ensure that older men and women still in the workforce will be able to keep more of their hard-earned money without losing important Social Security benefits.

Mr. Speaker, as you are well aware, the golden years for many older men and women in America involve all types of activities. More and more, older Americans are sharing their lifelong experience in business and industry with a new generation of Americans in the

workplace. Benefiting from tremendous advances in health care and increasing life expectancy rates, our older people—the generation of men and women who carried our nation through World War II, and beyond—continue to contribute to the economic well being of our state and nation.

While some older men and women are working because they need the paycheck to put food on the table, others keep working simply because they like what they do and see no reason to stop doing it just because they have reached their sixty-fifth birthday.

Right now, the tax code penalizes older Americans who choose to keep working. Over 800,000 seniors today lose part or all of their Social Security benefits because of the Social Security "earnings limit." Almost 37,000 older men and women in New Jersey alone are hit by this unfair penalty.

The present limit cuts or entirely eliminates Social Security benefits for working older men and women whose yearly incomes exceed a certain amount. In 2000, working Americans between the ages of 65–69 will lose \$1 in Social Security benefits for every \$3 in earnings over the limit.

The Social Security earnings limit was created during the Great Depression when jobs were scarce. It was designed to encourage older workers to leave the workforce to free up jobs for younger workers. What may have been good policy during the worst economic downturn in American history is bad policy today during one of the best economic cycles with more challenges and opportunities for everyone.

Our economy is booming and unemployment is at a record low. These working older men and women are an important part of that success. They should be encouraged to remain a vital part of the work force rather than be penalized for their labors. In addition, people today are living longer and healthier lives. Soon, millions of baby boomers will reach retirement age. If these people wish to remain productive members of the workforce long past their sixty-fifth birthday, their experiences, industry, and productiveness should be rewarded.

The Social Security earnings limit penalty is wrong, unfair, and should be scrapped. With the President in agreement, and my colleagues on both sides of the aisle in full support, let's pass "The Senior Citizens Freedom to Work Act" (H.R. 5), after so many years of inaction.

Mr. SHAW. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore (Mr. LATOURETTE). All time for debate having expired, pursuant to the order of the House of today, the previous question is ordered on the bill, as amended.

The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER pro tempore. The question is on the passage of the bill.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. SHAW. Mr. Speaker, I object to the vote on the ground that a quorum

is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The Chair announces that the vote on the Speaker's approval of the Journal, if ordered, will immediately follow this vote, and will be a 5-minute vote.

The vote was taken by electronic device, and there were—yeas 422, nays 0, not voting 13, as follows:

[Roll No. 27]

YEAS—422

Abercrombie	Coyne	Gutknecht
Ackerman	Cramer	Hall (OH)
Aderholt	Crane	Hall (TX)
Allen	Crowley	Hansen
Andrews	Cubin	Hastert
Archer	Cummings	Hastings (FL)
Armey	Cunningham	Hastings (WA)
Baca	Danner	Hayes
Bachus	Davis (FL)	Hayworth
Baird	Davis (IL)	Hefley
Baker	Davis (VA)	Herger
Balducci	Deal	Hill (IN)
Baldwin	DeFazio	Hill (MT)
Ballenger	DeGette	Hilleary
Barcia	Delahunt	Hilliard
Barr	DeLauro	Hinchee
Barrett (NE)	DeLay	Hinojosa
Barrett (WI)	DeMint	Hobson
Bartlett	Deusch	Hoefel
Barton	Diaz-Balart	Hoekstra
Bass	Dickey	Holden
Bateman	Dicks	Holt
Becerra	Dingell	Hooley
Bentsen	Dixon	Hostettler
Bereuter	Doggett	Houghton
Berkley	Dooley	Hoyer
Berman	Doolittle	Hulshof
Berry	Doyle	Hunter
Biggert	Dreier	Hutchinson
Bilbray	Duncan	Hyde
Bilirakis	Dunn	Inslee
Bishop	Edwards	Isakson
Blagojevich	Ehlers	Istook
Blumenauer	Ehrlich	Jackson (IL)
Blunt	Emerson	Jackson-Lee
Boehlert	Engel	(TX)
Boehner	English	Jefferson
Bonilla	Eshoo	Jenkins
Bonior	Etheridge	John
Bono	Evans	Johnson (CT)
Borski	Everett	Johnson, E. B.
Boswell	Ewing	Johnson, Sam
Boucher	Farr	Jones (NC)
Boyd	Fattah	Jones (OH)
Brady (PA)	Filner	Kanjorski
Brown (FL)	Fletcher	Kaptur
Bryant	Foley	Kasich
Burr	Forbes	Kelly
Burton	Ford	Kennedy
Buyer	Fossella	Kildee
Callahan	Fowler	Kind (WI)
Calvert	Frank (MA)	King (NY)
Camp	Franks (NJ)	Kingston
Canady	Frelinghuysen	Klecza
Cannon	Frost	Klink
Capps	Gallegly	Knollenberg
Capuano	Ganske	Kolbe
Cardin	Gejdenson	Kucinich
Carson	Gekas	Kuykendall
Castle	Gephardt	LaFalce
Chabot	Gibbons	LaHood
Chambliss	Gilchrest	Lampson
Chenoweth-Hage	Gillmor	Lantos
Clay	Gilman	Largent
Clayton	Gonzalez	Larson
Clement	Goode	Latham
Clyburn	Goodlatte	LaTourette
Coble	Goodling	Lazio
Coburn	Gordon	Leach
Collins	Goss	Lee
Combest	Graham	Levin
Condit	Granger	Lewis (CA)
Conyers	Green (TX)	Lewis (GA)
Cooksey	Green (WI)	Lewis (KY)
Costello	Greenwood	Linder
Cox	Gutierrez	Lipinski

LoBiondo	Pelosi	Smith (MI)
Lofgren	Peterson (MN)	Smith (NJ)
Lowe	Peterson (PA)	Smith (TX)
Lucas (KY)	Petri	Smith (WA)
Lucas (OK)	Phelps	Snyder
Luther	Pickering	Souder
Maloney (CT)	Pickett	Spence
Maloney (NY)	Pitts	Stabenow
Manzullo	Pombo	Stark
Markey	Pomeroy	Stearns
Martinez	Porter	Stenholm
Mascara	Portman	Strickland
Matsui	Price (NC)	Stump
McCarthy (MO)	Pryce (OH)	Stupak
McCarthy (NY)	Quinn	Sununu
McCollum	Radanovich	Sweeney
McCrery	Rahall	Talent
McDermott	Ramstad	Tancredo
McGovern	Rangel	Tanner
McHugh	Regula	Tauscher
McInnis	Reyes	Tauzin
McIntosh	Reynolds	Taylor (MS)
McIntyre	Riley	Taylor (NC)
McKeon	Rivers	Terry
McKinney	Rodriguez	Thomas
McNulty	Roemer	Thompson (CA)
Meehan	Rogan	Thompson (MS)
Meek (FL)	Rogers	Thornberry
Meeks (NY)	Rohrabacher	Thune
Menendez	Ros-Lehtinen	Thurman
Metcalfe	Rothman	Tiahrt
Miller (FL)	Roukema	Tierney
Miller, Gary	Roybal-Allard	Toomey
Miller, George	Royce	Towns
Minge	Rush	Traficant
Mink	Ryan (WI)	Turner
Moakley	Ryun (KS)	Udall (CO)
Mollohan	Sabo	Udall (NM)
Moore	Salmon	Upton
Moran (KS)	Sanchez	Velázquez
Moran (VA)	Sanders	Visclosky
Morella	Sandlin	Vitter
Murtha	Sanford	Walden
Myrick	Sawyer	Walsh
Nadler	Saxton	Wamp
Napolitano	Scarborough	Watkins
Neal	Schaffer	Watt (NC)
Nethercutt	Schakowsky	Watts (OK)
Ney	Scott	Waxman
Northup	Sensenbrenner	Weiner
Nussle	Serrano	Weldon (FL)
Oberstar	Sessions	Weldon (PA)
Obey	Shadegg	Weller
Olver	Shaw	Wexler
Ortiz	Shays	Weygand
Ose	Sherman	Whitfield
Owens	Sherwood	Wicker
Oxley	Shimkus	Wilson
Packard	Shows	Wise
Pallone	Shuster	Wolf
Pascarell	Simpson	Woolsey
Pastor	Sisisky	Wu
Paul	Skeen	Wynn
Payne	Skelton	Young (AK)
Pease	Slaughter	Young (FL)

NOT VOTING—13

Bliley	Horn	Norwood
Brady (TX)	Kilpatrick	Spratt
Brown (OH)	Mica	Vento
Campbell	Millender-	Waters
Cook	McDonald	

□ 1316

Mr. DIXON changed his vote from "nay" to "yea."

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

Stated for:

Mr. SPRATT. Mr. Speaker, I did not hear the bells on rollcall 27. I spoke in support of the bill, H.R. 5, and I would have voted in favor of the bill had I been present.

Mr. MICA. Mr. Speaker, on rollcall No. 27, I was unavoidably detained. Had I been present, I would have voted "yes."

Mr. HORN. Mr. Speaker, on rollcall No. 27, the Senior Citizens' Freedom to Work Act, on which I addressed the House, I was regretfully delayed on official business with a visiting delegation from the German Bundestag. Had I been present, I would have voted "yea."

Mr. NORWOOD. Mr. Speaker, on rollcall No. 27, I was unavoidably detained. Had I been present, I would have voted "yea."

Mr. BRADY of Texas. Mr. Speaker, on rollcall No. 27, I was inadvertently detained. Had I been present, I would have voted "yea."

Mr. BLILEY. Mr. Speaker, on rollcall No. 27, had I been present, I would have voted "yea."

THE JOURNAL

The SPEAKER. Pursuant to clause 8, rule XX, the pending business is the question of the Chair's approval of the Journal of the last day's proceedings.

Pursuant to clause 1, rule I, the Journal stands approved.

IRAN NONPROLIFERATION ACT OF 1999

Mr. GILMAN. Mr. Speaker, I ask unanimous consent that it be in order at any time today to take from the Speaker's table H.R. 1883, with Senate amendments thereto, and to consider in the House a motion offered by the Chairman of the Committee on International Relations or his designee that the House concur in the Senate amendments; that the Senate amendments and the motion be considered as read; that the motion be debatable for 1 hour equally divided and controlled by the chairman and ranking member of the Committee on International Relations, or their designees; and that the previous question be considered as ordered on the motion to final adoption without intervening motion or demand for division of the question.

The SPEAKER. Is there objection to the motion offered by the gentleman from New York?

There was no objection.

Mr. GILMAN. Mr. Speaker, pursuant to the unanimous consent request just agreed to, I call up the bill (H.R. 1883) to provide for the application of measures to foreign persons who transfer to Iran certain goods, services, or technology, and for other purposes.

The Clerk read the title of the bill.

MOTION OFFERED BY MR. GILMAN

Mr. GILMAN. Mr. Speaker, I offer a motion.

The SPEAKER. The Clerk will designate the motion.

The text of the motion is as follows:

Mr. GILMAN moves to concur in the Senate amendments to H.R. 1883.

The text of the Senate amendments is as follows:

Senate Amendments: Page 2, line 3, strike out "1999" and insert "2000".

Page 5, line 7, strike out all after "Order" down to and including "person." in line 8 and insert "No. 12938."

Page 5, Line 9, strike out all after "prohibition.—" down to and including "termi-

nate" in line 12 and insert "Prohibition on United States Government sales to that foreign person of any item on the United States Munitions List as in effect on August 8, 1995, and termination of".

Page 5, Lines 16 and 17, strike out "The President shall deny licenses and suspend" and insert "Denial of licenses and suspension of".

Page 8, after line 23, insert:

"(b) Opportunity To Provide Information.—Congress urges the President—

"(1) in every appropriate case, to contact in a timely fashion each foreign person identified in each report submitted pursuant to section 2(a), or the government with primary jurisdiction over such person, in order to afford such person, or governments, the opportunity to provide explanatory, exculpatory, or other additional information with respect to the transfer that caused such person to be identified in a report submitted pursuant to section 2(a); and

"(2) to exercise the authority in subsection (a) in all cases where information obtained from a foreign person identified in a report submitted pursuant to section 2(a), or from the government with primary jurisdiction over such person, establishes that the exercise of such authority is warranted."

Page 8, line 24, strike out "(b)" and insert "(c)".

Page 9, line 11, strike out "Russian Space Agency" and insert "Russian Aviation and Space Agency".

Page 9, lines 12 and 13, strike out "Russian Space Agency" and insert "Russian Aviation and Space Agency".

Page 10, Lines 11 and 12, strike out "through the implementation of concrete steps".

Page 10, Line 16, strike out all after "systems" down to and including "transfers" in line 18.

Page 10, Line 19, strike out "Russian Space Agency" and insert "Russian Aviation and Space Agency".

Page 10, Line 21, strike out "Russian Space Agency" and insert "Russian Aviation and Space Agency".

Page 11, Line 25, strike out "Russian Space Agency" and insert "Russian Aviation and Space Agency".

Page 12, Line 2, strike out "Russian Space Agency" and insert "Russian Aviation and Space Agency".

Page 13, Line 6, strike out "Russian Space Agency" and insert "Russian Aviation and Space Agency".

Page 13, Line 8, strike out "Russian Space Agency" and insert "Russian Aviation and Space Agency".

Page 13, Line 10, after "Module" insert ", and for the purchase (at a total cost not to exceed \$14,000,000) of the pressure dome for the Interim Control Module and the Androgynous Peripheral Docking Adapter and related hardware for the United States propulsion module."

Page 13, line 15, after "no" insert "credible".

Page 17, lines 15 and 16, strike out "Russian Space Agency" and insert "Russian Aviation and Space Agency".

Page 17, lines 17 and 18, strike out "Russian Space Agency" and insert "Russian Aviation and Space Agency".

Page 18, lines 1 and 2, strike out "Russian Space Agency" and insert "Russian Aviation and Space Agency or Russian Space Agency".

Page 18, line 6, strike out "Russian Space Agency" and insert "Russian Aviation and Space Agency or Russian Space Agency".